

## 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

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Deputy Governor  
Reserve Bank of India

# Reserve Bank of India

## REPORT

ON

## CURRENCY and FINANCE

FOR THE YEAR

1937-38

BOMBAY :  
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1938

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## I.—GENERAL FEATURES OF THE YEAR.

The first report on currency and finance published by the Reserve Bank of India dealt with the financial years 1935-36 and 1936-37, which was a period of almost uninterrupted improvement in economic conditions. Industrial activity and foreign trade were increasing and commodity prices were steadily rising. The year 1937-38 has had a more chequered history. During the first six months the improvement was on the whole well maintained but thereafter India began to be increasingly affected by the general reaction of which the first signs had appeared some months previously in the United States of America.

2. The optimism in that country following the special measures taken by the Government to expand credit and purchasing power had created something approaching boom conditions in certain spheres of business activity, and in April 1937 the Government felt it necessary to issue a warning that in its opinion the prices of certain commodities were too high. The warning was accompanied by a partial withdrawal of the special measures which had previously been adopted, and there were indications that the Government proposed to attempt to balance their budget or at least to reduce the deficit to more modest dimensions. There was also considerable apprehension, strengthened by reports of increasing Russian gold production, that a change in monetary policy might involve a reduction in the dollar price of gold. Nervousness engendered by these developments caused a slump on the American stock exchange. This did not immediately lead to a decline in industrial activity, and in July and August stock exchange prices partially recovered. The recovery, however, proved to be only temporary. It was succeeded by a second and more prolonged fall and trade and industry were now unable to maintain their resistance. The reaction rapidly became more severe and more widespread. As will be seen from Statement I the whole sale price index, which had reached 92 in March and remained at that level during the succeeding five months, began to fall in September and continued to do so until the end of the financial year.

3. In spite of expenditure on rearmament the increase in industrial activity in Great Britain during the last quarter of the year 1936-37 was less spectacular than in the United States. The position at the end of the year was therefore less vulnerable. In April the first stage of the American reaction, combined with the unpopular National Defence Contribution, which was announced in the budget speech, caused a depression on the stock exchange, but trade and industry were able to show a continued improvement for several months of the new year. Shipping

freights, for example, did not reach their maximum until September. The index number of wholesale prices rose from 94 in March to 98 in July and August. In the later months of the year, however, adverse economic factors were strengthened by a deterioration in the European political situation, and a general decline became inevitable. The decline was partially checked in December but was renewed in the succeeding months.

4. In India, as in the United States, the financial year began with a slump on the stock markets. The first three months of 1937 had been a period of intense speculative activity and the prices of certain stocks had reached a level which obviously could not be maintained. The resulting reaction was therefore severe. The Tata Iron and Steel Company's deferred Stock, for example, which had touched Rs. 2,290 on the 17th of March, had fallen to Rs. 1,220 by the 29th of April. For the next six months, however, the general level of prosperity was on the whole well maintained. The first important Indian commodity to be adversely affected was cotton, which is the commodity most closely dependent on American prices and conditions. The news of an exceptionally heavy crop in America, combined with the general pessimism of the American markets, caused a severe fall in price during the summer of 1937. This in turn reduced Indian exports of raw cotton and later began to affect railway earnings, since stocks were held in the hope of an improvement. The cotton manufacturing industry, on the other hand, benefited by the reduction in the price of raw materials and also by the relaxation of Japanese competition which resulted from Japanese preoccupations in China. Consequently it was able not only to strengthen its hold on the Indian market but to increase its exports to neighbouring countries, and a high level of production was maintained throughout the year. The iron and steel industry also continued to work at full capacity. Owing to internal dissensions the jute industry was less prosperous, but for the first half of the year its exports were above the level of 1936-37. It was only in the later months of the year that the volume of foreign trade began to decrease appreciably and the indices of wholesale prices began to show a consistent decline.

## II.—FOREIGN TRADE.

5. *Exports of merchandise.*—As will be seen from Statement II, the total value of merchandise exported from India and Burma during 1937-38 was Rs. 1,99,61 lakhs against Rs. 2,00,79 lakhs in the previous year. The smallness of the decline is remarkable in view of the large drop in exports of raw cotton to which a reference has already been made. The total value of cotton (raw and waste) exported was Rs. 45,17 lakhs

in 1936-37 and Rs. 30,64 lakhs in 1937-38. As a result of this fall jute regained its position, which it had yielded to cotton in 1936-37, as the most important individual item in the list of exports. The total value of jute (raw and manufactured) exported from India during 1937-38 was Rs. 43,80 lakhs against Rs. 42,72 lakhs in the previous year. Oilseeds declined by over Rs. 4 crores but exports of tea increased by a similar amount. This must be attributed mainly to the tea restriction scheme which has been among the most successful of such schemes. Exports of hides and skins and various minor items also showed increases.

The total value of merchandise exported from Burma to countries other than India was Rs. 24,64 lakhs against Rs. 21,18 lakhs in 1936-37. Raw cotton is only a minor item in Burma's exports and the total was therefore comparatively little affected by the slump in that commodity. Burma's principal exports are rice, mineral oils and teak, and these all maintained the level of the previous year. The total quantity of teak exported declined slightly from 238,000 tons to 226,000 tons but the value increased from Rs. 3,40 lakhs to Rs. 3,48 lakhs which is the highest figure attained since 1930-31.

6. *Imports of merchandise.*—The total value of merchandise imported into India and Burma during 1937-38 was Rs. 1,63,62 lakhs as compared with Rs. 1,27,50 lakhs in 1936-37. Thus whereas total exports, except for Burma alone, were slightly below the level of the previous year, imports continued to increase. A lag of this kind is to be expected in a country such as India which exports mainly raw materials and imports mainly manufactured goods. Her exports are affected comparatively quickly by world prices and conditions, but imports arranged during a time of prosperity continue to arrive after the upward trend has been reversed. This applies especially to imports such as metals, machinery and motor vehicles which accounted for a large proportion of the total increase during 1937-38. The item which registered the highest percentage increase, however, was raw cotton. This was due to the increased activity of the cotton industry, which requires a large proportion of foreign cotton for some of its products.

The total value of merchandise imported by Burma from countries other than India was Rs. 12,10 lakhs against Rs. 10,85 lakhs in 1936-37. Motor vehicles accounted for Rs. 39 lakhs of this increase and a considerable proportion of the remainder was due to luxury articles of various kinds. As in India imports were stimulated by the increased prosperity of the previous year.

7. *Total visible balance of accounts.*—As a result of the substantial increase in imports and the slight decline in exports the balance of trade in merchandise for India and Burma combined decreased from Rs. 79,51



lakhs in 1936-37 to Rs. 43,54 lakhs in 1937-38. There was also a decrease in net exports of gold from Rs. 27,85 lakhs to Rs. 16,33 lakhs, but this was more than balanced by a decrease in net imports of silver from Rs. 13,59 lakhs to Rs. 1,50 lakhs. The decrease in the favourable balance of trade necessarily involved a decrease in the amount of sterling available for purchase by the Reserve Bank. Such purchases amounted to only Rs. 33,29 lakhs in 1937-38 as compared with Rs. 70,87 lakhs in 1936-37. The final result, as shown in Statement II, is a total visible balance of accounts of Rs. 24,97 lakhs, against Rs. 22,67 lakhs in 1936-37. It must be emphasised, however, that this statement does not give a complete record of the position, since there are many items for which no statistics are available. Among the most important of these items are foreign investments and the expenses of persons residing or travelling in other countries. The increase in the final figure for 1937-38 as compared with the two previous years is probably due mainly to an increase in remittances for investment abroad\*.

8. *Effect of separation of Burma.*—Burma was separated from India with effect from the 1st of April 1937, but the India and Burma (Trade Regulation) Order, 1937, provides for free trade between the two countries for a period of three years from the date of separation, and by the India and Burma (Burma Monetary Arrangements) Order, 1937, their currencies are linked and remain under the management of the Reserve Bank of India. Hence in respect of both trade and currency the two countries still constitute, for external purposes, a single unit. In view of this fact, and in order to facilitate comparison with previous years, the figures given in Statement II exclude the trade between India and Burma. India is Burma's best customer both for rice and for mineral oils, which are her two most important exports, and although India is now supplying an increasing proportion of Burma's demand for cotton piecegoods the trade between the two countries shows a considerable balance in favour of Burma. In 1937-38 Burma's total exports to India amounted to Rs. 25,69 lakhs and her total imports from India amounted to Rs. 11,69 lakhs.

### III.—BULLION.

9. *Imports and exports of gold.* Statement III shows the imports and exports of gold since 1910 and Statement IV gives the figures for each month of 1937-38. It will be observed that the net imports of gold into India during the period from 1910-11 to 1930-31 amounted to over Rs. 457 crores. The increase in the value of gold which resulted from the devaluation of sterling, and of the currencies linked with sterling, in September 1931, converted India into an exporting country. In

\* See also paragraph 34.

1932-33 net exports rose to Rs. 65.52 crores but since that year the total has been steadily decreasing. The figures for 1936-37 and 1937-38 were Rs. 27.85 crores and Rs. 16.33 crores respectively. Out of the total exports during 1937-38 gold worth Rs. 9.93 crores was shipped to the United Kingdom and gold worth Rs. 6.40 crores to the United States of America.

10. *Production of gold.*—The amount of gold produced in India and Burma during 1937 is estimated at 363,281 ounces. The average for the previous ten years is 376,550 ounces.

11. *Price of gold.*—Statement V shows the highest and lowest prices of spot gold in London and Bombay during each month of the year. In the first week of April 1937 the Bombay price dropped sharply from Rs. 35-2-9 to Rs. 34-10-0 per tola\* as a result of the "gold scare" to which a reference has already been made.† Subsequently there was a partial recovery, but renewed anxiety regarding the gold policy of the United States Government caused a further fall. On the 15th of May the price dropped to Rs. 34-3-6 which was the lowest figure of the year. In June a reassuring statement by President Roosevelt ended the scare, and for the remainder of the year there were only minor fluctuations. The difference between the highest and the lowest quotations of the year was only Rs. 0-15-3, as compared with Rs. 1-8-9 in 1936-37 and Rs. 5-8-6 in 1935-36. The decrease in the extent of the fluctuations is mainly due to the greater stability of the London-New York cross rate.‡

In the closing months of the year unsettled political conditions in Europe led to a strong demand for gold coin and the resulting premium encouraged sales of sovereigns in India. As will be seen from Statement IV exports of sovereigns and other British gold coin rose to over Rs. 56 lakhs in March 1938.

12. *Assaying and refining of gold.*—Gold received at the Bombay and Calcutta Mints for melting and assaying amounted to 5,154,887 tolas in 1937-38, as compared with 7,466,445 tolas in 1936-37. In addition raw gold weighing 1,054,707 tolas was received from the Indian mines and from the public for refining against 1,241,684 tolas in 1936-37.

13. *Imports and exports of silver.*—Statement VII shows the imports and exports of silver coin and bullion since 1910 and Statement VIII gives the figures for each month of 1937-38. It will be observed that the net imports of silver in 1937-38 amounted to Rs. 1.50 lakhs as compared with a net import of Rs. 13.59 lakhs in 1936-37 and a net export of Rs. 57

\* Eight tolas are equal to three fine ounces.

† See paragraph 2.

‡ See Statement IX.

lakhs in 1935-36.\* In order to discourage smuggling the import duty on silver was reduced from five annas to two annas per ounce in March 1936. This resulted in a considerable increase in recorded imports during the succeeding year. In March 1937 the duty was increased from two annas to three annas in the hope of producing more revenue. This hope has not been realised, but it is probable that imports of silver would in any case have declined.

14. *Production of silver.*—The total amount of silver produced during 1937 at the Kolar gold fields in Mysore State, which are responsible for almost the whole of India's silver production, was 28,959 ounces, an increase of 4,500 ounces as compared with the previous year. Silver produced in Burma by the Burma Corporation amounted to 6,110,000 ounces in the financial year 1937-38 against 6,052,000 ounces in 1936-37.

15. *Price of silver.*—Statement VI shows the highest and lowest prices of silver in Bombay, London and New York during each month of 1937-38. At the end of March 1937 the price of spot silver in Bombay was Rs. 53-12-0 per hundred tolas. In the first week of April the price rose to Rs. 55-15-6, but subsequently the repercussions of the gold scare caused a decline to Rs. 52-9-0. In August fears that owing to the Japanese war some of the silver owned by the Chinese Government might be thrown on the market caused a further decline to Rs. 48-14-0. Reassuring advices from London produced a partial recovery, and the market remained fairly steady until December when prices again declined as a result of nervousness regarding the possibility of a change in the policy of the American Government after the termination of the International Silver Agreement which lapsed at the end of 1937. On the 16th of December the Bombay price fell to Rs. 46-1-6 which proved to be the lowest for the year. The United States Treasury reduced its price for newly mined domestic silver from 77.57 cents to 64.64 cents per fine ounce with effect from the 1st of January 1938, but did not at this stage alter its official buying price of 45 cents for foreign silver. When this decision became known confidence was restored and the Bombay price recovered to Rs. 51-15-0 at the beginning of March. Later in that month, however, the United States buying price was reduced to 43 cents and this decision, combined with renewed anxiety regarding the silver policy of the American Government, caused the Bombay price to decline to Rs. 47-12-0.

16. *Assaying and refining of silver at the Mints.*—Silver received at the Bombay and Calcutta Mints for melting and assaying amounted to 20,807 tolas in 1937-38 as compared with 37,024 tolas in 1936-37. The Bombay Mint also received 234,835 tolas of silver for refining against 307,939 tolas in 1936-37.

\* This figure includes silver exported by the Government of India. As will be seen from Statement II imports and exports of silver on private account during 1935-36 resulted in a net import of Rs. 1,27 lakhs.

#### IV.—EXCHANGE AND REMITTANCE.

17. *Exchange.*—Statement IX shows the London-New York cross rate, the franc-sterling rate, and the Bombay rate for telegraphic transfers on London for each month of the year. Through the operations of the Exchange Equalization Funds the fluctuations of the cross rate were kept within comparatively narrow limits but there was a further depreciation of the franc. The rupee remained linked to sterling in accordance with the provisions of sections 40 and 41 of the Reserve Bank of India Act, which require the Bank to sell sterling at 1s.  $5\frac{1}{8}$ d. and to buy sterling at 1s.  $6\frac{3}{16}$ d. Under section 14 of the India and Burma (Burma Monetary Arrangements) Order, 1937, these limits apply also to Burma. As will be seen from the statement, the rate remained near the upper limit throughout the year, fluctuating between 1s.  $6\frac{1}{2}$ d. and 1s.  $6\frac{3}{4}$ d. The average rate for the year was 1s. 6.09d. which is practically identical with the average for the two preceding years.

18. *Remittance.*—The Reserve Bank is responsible for the purchase of sterling to meet the requirements of the Central and Provincial Governments of India and the Government of Burma. As in previous years purchases were made by means of weekly tenders and the Bank was also prepared to buy “intermediates” to an unlimited amount at  $1/32$ d. above the latest tender rate. All purchases by tender during 1937-38 were made at the rate of 1s.  $6\frac{1}{8}$ d., lower tenders being rejected. At the beginning of April 1937 there was a strong demand for exchange and the first two tenders were heavily staged. Applications amounted to over £50,000,000 and as the amount offered was only £1 million each week, applicants were allotted approximately 2 per cent. In the third week the offer was raised to £2,000,000 and applications amounted to £7,500,000. During this period the Bank also purchased £105,000 through “intermediates” at 1s.  $6\frac{1}{2}$ d. In the last week of the month, however, applications dropped to £345,000. This marked the beginning of the slack season, and during the next five months tenders continued to be on a small scale. The beginning of the next export season in October enabled the Bank to purchase over £3 million during that month, but in November and December the decline in India's exports began to make itself felt and tenders were again small. The demand revived in the last three months of the year and the Bank was able to make substantial purchases. Even in these months however the amount purchased was considerably below the level of the corresponding period of the previous year. As has already been stated the total purchases for 1937-38 amounted to Rs. 33.29 lakhs (£25,140,000) against Rs. 70.87 lakhs (£53,532,000) in 1936-37. The amount purchased in 1937-38 fell short of the total requirements of the various Governments by about £12 million but in view of the large sterling resources which had been built up in previous years the Bank had no difficulty in meeting this deficit.

## V. GOVERNMENT FINANCE.

19. *Financial effects of the new constitution.*—The provisions of the new constitution which relate to Burma and the Provincial Governments came into force on the 1st of April 1937. With effect from that date Burma was separated from India, Sind and Orissa were established as separate Provinces, and increased powers and responsibilities devolved on the Provincial Governments. The financial effect of these changes on the various Governments concerned constitutes the most important feature of Government finance for the year 1937-38.

As a result of separation receipts from customs, taxes on income and other sources of revenue which had previously accrued to the Central Government of India became part of the revenues of the separated Government of Burma. On the other hand, Burma became responsible for expenditure on defence and other items which had previously been met from Indian revenues, and in accordance with the Amery award annual payments have to be made to the Government of India for a period of forty-five years in order to liquidate Burma's debt to India in respect of the pre-separation period. As will be seen from Statement XI, the effect of these changes on the budget of the Government of Burma is to increase the total revenue and expenditure from about Rs. 9 crores to about Rs. 15 crores. The payment made to the Government of India during 1937-38 amounted to approximately Rs. 3,05 lakhs, and the Government of India estimate that after allowance has been made for this payment the net loss to central revenues owing to the separation of Burma is about Rs. 2½ crores.

The Niemcyer award provided for the grant of additional financial assistance to the Provincial Governments at the expense of central revenues to enable them to meet their responsibilities under the new constitution. This additional assistance takes four different forms :—

- (i) Grants-in-aid of specified amounts are paid to the North-West Frontier Province and to the new Provinces of Sind and Orissa. The additional cost to the Central Government of the grants paid during 1937-38 as compared with the previous year was Rs. 56 lakhs.
- (ii) The proportion of the export duty on jute which is payable to the producing Provinces was raised from 50 per cent. to 62½ per cent. This involves an additional loss to central revenues of about Rs. 50 lakhs. The principal beneficiary is Bengal, but the neighbouring Provinces of Bihar, Assam and Orissa also receive some benefit in proportion to the amount of jute cultivated within their territories.
- (iii) A considerable portion of the sums previously borrowed by the Provinces from the Central Government was remitted. As

a result of these remissions the Central Government lost approximately a crore of rupees in interest receipts.

- (iv) The Provinces will ultimately receive 50 per cent. of the receipts from taxes on income, apart from corporation tax, taxes on the emoluments of officers serving under the Central Government and taxes attributable to the centrally administered areas. During the first five years, however, they are to receive only the amount, if any, by which such receipts, combined with the surplus of the railways, exceed Rs. 13 crores.

20. *Railway revenues.*—Between 1931-32 and 1935-36 the State Railways made no contribution to Government revenues. In each year the railway budget showed a deficit which was met from the balance in the Railway Depreciation Fund. In 1936-37, however, railway revenues began to show a considerable improvement as a result of the general improvement in economic conditions in India, and in the estimates presented to the Legislature in February 1937 it was anticipated that there would be a small surplus of 15 lakhs both in 1936-37 and in 1937-38. In the closing months of the year 1936-37 there was a considerable increase in the rate of improvement in railway revenues, with the result that the year closed with a surplus of Rs. 1,20 lakhs, which was credited to the Depreciation Fund in partial repayment of the drawings of previous years. The improvement continued during the early months of 1937-38 and hopes began to be entertained that the surplus for the year might exceed Rs. 4 crores. In November and December, however, railway earnings began to be affected by the decline in India's exports, especially exports of cotton, and the actual surplus proved to be Rs. 2,75 lakhs. The estimates for 1938-39 anticipate a surplus of Rs. 2,56 lakhs.

21. *Budget estimates of the Government of India.*—The Government of India accounts for 1936-37 showed a nominal deficit of Rs. 1,79 lakhs. This figure, however, was arrived at after the allocation of Rs. 3 crores for the reduction and avoidance of debt. There was therefore no question of the Government of India having to borrow in order to meet a revenue deficit. As was mentioned in last year's report, the main cause of the deficit was a large decrease in receipts from the import duty on sugar, which was the result of the high rate of protection granted to the Indian sugar industry.

In 1937-38 the Government of India had to meet additional liabilities amounting to over Rs. 4 crores as a result of the financial arrangements which have been briefly described in paragraph 19. In 1935-36, however, a sum of Rs. 1,84 lakhs had been set aside as a revenue reserve fund to meet a part of this liability. With the aid of this fund, and of the additional revenue anticipated as a result of increases in the excise duty on sugar and the import duty on silver, the Finance Member was able to

balance his budget. During the first eight months of the year the revenue from customs and central excise duties was considerably in excess of the budget estimates. In the succeeding months these sources of revenue began to decline but the revised estimates presented in February assumed a net increase of Rs. 1,91 lakhs for the whole year. In addition to this an improvement of approximately Rs. 2 crores was anticipated in respect of the portion of the increase in the railway and income-tax receipts which the Government of India was entitled to retain under the Niemeyer award. On the other hand it was necessary to provide for an increase of Rs. 3,22 lakhs in expenditure, the main item being the cost of the military operations in Waziristan. As a result of these changes it was anticipated that the budget could be balanced by the use of only Rs. 1,09 lakhs out of the revenue reserve fund and that the remaining Rs. 75 lakhs could be carried forward to the following year. In the last week of March a sum of Rs. 1,25 lakhs was distributed to the Provinces on the basis of the latest railway and income-tax returns then available.

In view of the decline which became noticeable in the later months of 1937-38, the budget estimates for 1938-39 assume that the revenue from customs and central excise duties will be somewhat lower than in the previous year. On the other hand defence expenditure shows a decrease owing to the absence of any extraordinary items. The final result is a nominal surplus of Rs. 9 lakhs after the utilization of the balance remaining in the revenue reserve fund but without any change in taxation. The budget includes the usual provision of Rs. 3 crores for the reduction and avoidance of debt. On the basis of the estimates of railway and income-tax receipts it is anticipated that Rs. 1,28 lakhs will be available for distribution to the Provinces.

22. *Budget estimates of the Government of Burma.*—In their budget estimates for 1937-38 the Government of Burma provided for a revenue surplus of Rs. 1,80 lakhs but the revised estimates reduced the surplus to Rs. 6 lakhs. As in India, there were increases in customs receipts and in certain other sources of revenue. On the other hand, there was a large decrease of Rs. 1,21 lakhs under land revenue. Of this Rs. 43 lakhs was due to the new Government's decision to reduce certain capitation taxes, and the remainder was due partly to reductions in land revenue rates owing to the fall in the price of paddy and partly to remissions granted on account of damage done by heavy rains in December 1937. There were also increases in expenditure on defence and other items.

The estimates for 1938-39 provide for a surplus of Rs. 39 lakhs. Allowance has been made for a reduction in customs receipts and for a further reduction in land revenue. Additional revenue amounting to Rs. 4½ lakhs is however anticipated as a result of an increase of one anna per gallon in the duty on petrol, and a State lottery is expected to produce Rs. 10 lakhs. Increased revenue is also anticipated from taxes on income, forests and certain other items.

23. *Provincial budgets.* The figures given in Statement XI indicate the effect of the Niemeyer award on the budgets of certain Provincial Governments. The United Provinces and Assam, which had deficits of Rs.37 lakhs and Rs.38 lakhs respectively in 1936-37, have been able to reduce their deficits to comparatively insignificant proportions, while the Bengal surplus of Rs.40 lakhs was increased in 1937-38 to Rs. 1,36 lakhs. In other cases the effect is less noticeable, since the additional funds made available by the award have been utilized to finance fresh items of expenditure or to make good the losses in land revenue and excise receipts resulting from the policy adopted by the Provincial Governments.

The Provinces whose budget estimates for 1938-39 show the most conspicuous changes as compared with the revised estimates for 1937-38 are Bombay and Bengal. In Bombay a surplus of Rs.11 lakhs has been converted into a deficit of Rs.41 lakhs. This deficit however is due to non-recurring items of expenditure and is expected to be met from the free balance available at the beginning of the year. In Bengal a surplus of Rs.1,36 lakhs has been converted into a deficit of Rs.11 lakhs. This is due partly to a decrease in the revenue anticipated from the export duty on jute and certain other items but mainly to additional items of expenditure, some of which are of a non-recurring character. Four other Provinces show deficits but the amounts are small in proportion to their total revenue and expenditure.

## VI.—THE PUBLIC DEBT.

24. *Government of India loans.*—No Government of India loans matured in the course of the year, and as new capital expenditure was on a comparatively small scale it was not found necessary to float any new loan either in India or in England. Although there was no new loan the Government of India were able to effect some reduction in the amount of sterling debt outstanding. As the market prices of the Government of India sterling securities were appreciably lower than those of the corresponding rupee securities, and as the necessary funds could be provided without difficulty, the Reserve Bank was authorised to purchase sterling securities up to a limited amount, as they became available in the market, and to transfer them to Government for cancellation. The nominal value of the stock purchased and cancelled in this way was as follows :

5% loan 1942-47	..	..	..	£ 510,000
4% loan 1948-53	..	..	..	£ 645,000
3% loan 1949-52	..	..	..	£ 500,000
4½% loan 1950-55	..	..	..	£ 495,000
3½% loan 1931 or after	..	..	..	£ 600,000
3% loan 1948 or after	..	..	..	£ 240,000
				£2,990,000
			Total ..	£2,990,000



The cost of the terminable stock was met from the ordinary resources of the Government of India, but the £840,000 of non-terminable stock was replaced by 3½ per cent. and 3 per cent. rupee paper of the same nominal value. The rupee paper was issued gradually by the Bank in accordance with the requirements of the market. The profit resulting from the higher price of the rupee securities was treated by the Government of India as an additional contribution towards the reduction of debt.

As a result of these transactions, and repayments of amounts outstanding in respect of matured loans, the total funded debt of the Government of India at the beginning and end of the year was as follows :

	31st March 1937.	31st March 1938.
	(crores of rupees).	
In India .. .. .	437.88	438.79
	(millions of £)	
In England .. .. .	300.73	297.56

25. *Provincial loans.*—Five Provincial Governments raised loans during the year. The amounts were as follows :

	(Lakhs of rupees.)			
Madras .. .. .	..	..	..	150
United Provinces .. .. .	..	..	..	100
Punjab .. .. .	..	..	..	100
Central Provinces .. .. .	..	..	..	50
North-West Frontier Province .. .. .	..	..	..	60
				460

The loans were issued simultaneously on the 31st of August 1937, and consisted of 3 per cent. stock redeemable at par on the 1st of September 1952 and issued at Rs. 99 for every Rs. 100 nominal value. Interest is payable half-yearly and is liable to income-tax. In the case of the Punjab loan subscriptions were received either in cash or in 5¼ per cent. Punjab bonds 1937. The other four were purely cash loans, required either for schemes of capital expenditure or for the repayment of short-term loans taken from the Government of India. Subscribers were asked to state whether, in the event of the loan which they preferred being over-subscribed, they wished their applications to be transferred to the other loans. Market conditions at the time of the issue were favourable and the lists were closed within two hours. The Madras, United Provinces and Punjab Loans were over-subscribed. Applications for Rs. 1,000 or less were accepted in full and other applications received partial allotment in the following proportions :

Madras .. .. .	..	..	..	30 per cent.
United Provinces .. .. .	..	..	..	50 per cent.
Punjab .. .. .	..	..	..	25 per cent.

The Central Provinces and North-West Frontier Province loans were fully subscribed after the transfer of optional applications from the other loans.

26. *Government of India treasury bills.*—Details of the sales of Government of India treasury bills during 1937-38 are given in Statement XII. Three months treasury bills were offered for public tender through the Reserve Bank in each week of the year. The amount offered was Rs. 1 crore a week except in the periods from the 27th of August to the 15th of October and from the 26th of November to the 4th of February when the offer was raised to Rs. 2 crores and on the 11th and 18th of February when it was Rs. 1½ crores. There were no sales of “intermediates” during the year. The total amount of treasury bills outstanding with the public at the end of the year was Rs. 18,11.5 lakhs as compared with Rs. 15,98 lakhs at the end of 1936-37.

The amount of treasury bills shown as outstanding with the Issue Department of the Reserve Bank at the end of the year is Rs. 19,89 lakhs, but of this total Rs. 6,11 lakhs were in fact held by the Government of Burma and the Provincial Governments. The separation of balances on the introduction of the new constitution resulted in some of these Governments having surplus funds for which they wished to find short term investments, and as the Finance Member stated in his budget speech it was decided that the Reserve Bank should for the present meet their requirements from its own holding of treasury bills. If the holdings of the Government of Burma and the Provincial Governments are deducted it will be seen that the amount actually held in the Issue Department at the end of the year was Rs. 13,78 lakhs. The corresponding figures for the two previous years are Rs. 12,56 lakhs and Rs. 18,97 lakhs respectively.

27. *Yield on treasury bills.*—During the first three months of the year the average yield on the treasury bills issued at the weekly tenders was slightly over 1 per cent. per annum. In July and August funds became more plentiful owing to the onset of the slack season and the yield fell rapidly until it reached a minimum of .43 per cent. on the 20th of August. This is identical with the minimum reached during the same month of the previous year. Thereafter the yield rose gradually until November when the rise was checked for a few weeks. In the last three months of the year there was a more rapid rise in the yield and the average for March 1938 was slightly over 1½ per cent. The average yield for the whole year was .96 per cent. as compared with .78 per cent. in 1936-37 and 1.21 per cent. in 1935-36.

28. *Burma treasury bills.*—In order to meet a temporary shortage of funds the Government of Burma issued Rs. 90 lakhs of four months'

treasury bills during September and October 1937. The bills were issued through the Reserve Bank of India and the greater part was sold in India, only Rs. 9.7 lakhs being issued to applicants in Burma. The average rate of accepted tenders was Rs. 0-12-8 per cent. per annum, which is about 2 annas per cent. higher than the yield of Government of India treasury bills issued during the same period. The bills were not renewed on maturity and no Government of Burma treasury bills were therefore outstanding at the end of the year.

29. *Post Office cash certificates and Post Office savings bank.*—Statement XIII shows transactions in Post Office cash certificates since 1917-18, when this form of investment was first introduced, and in Post Office savings bank deposits since 1913-14. In July 1936 the yield on Post Office cash certificates was reduced to 2½ per cent. and the rate of interest on savings bank deposits was reduced to 2 per cent. These rates remained unchanged during 1937-38. Owing to the large purchases of Post Office cash certificates during 1931-32 and 1932-33 when rates of interest were high, maturities during the last two years have been exceptionally heavy and fresh purchases have fallen short of the amount repaid. As will be seen from the Statement there was a net repayment of Rs. 1,58 lakhs in 1936-37 and Rs. 3,87 lakhs (including Burma) in 1937-38, and the total amount outstanding on the 31st of March 1938 was Rs. 60,53 lakhs. In spite of the reduction in the rate of interest the total deposits in the Post Office savings bank have continued to increase by substantial amounts each year. In 1937-38 the seasonal decline in deposits which usually occurs in the third quarter was rather more marked than in the previous year, but deposits again increased during the fourth quarter. The excess of deposits (excluding interest) over withdrawals was Rs. 5,98 lakhs in 1936-37 and Rs. 3,66 lakhs in 1937-38, and the total amount outstanding on the 31st of March 1938 was Rs. 79,84 lakhs.

## VII.—GOVERNMENT BALANCES AND RESERVES.

30. *Government balances with the Reserve Bank.* Section 21 of the Reserve Bank of India Act requires the Government of India and the Provincial Governments to entrust to the Reserve Bank, on such conditions as may be agreed upon, all their money, remittance, exchange and banking transactions in India, and to deposit all their cash balances with the Bank free of interest. Until the end of the financial year 1936-37 the Government of India was responsible for maintaining the funds required for all Government transactions in India and Burma, and there was only one Government balance with the Bank. The introduction of the new Constitution however made it necessary for the Bank to conclude separate agreements with the Government of Burma and with each Provincial Government in India. These agreements came into force on the 1st of April 1937 and provide for the maintenance of a minimum balance by

each Government ; but since the Provincial Governments had had no previous experience of managing their own balances a special arrangement was made for the financial year 1937-38. Under this arrangement separate figures were kept for each Province, and as has already been mentioned\* they were able to invest their surplus funds, but the Government of India continued to be responsible for the maintenance of the total minimum balance required in respect of all Governments in India. With effect from the 1st of April 1938 the Provincial Governments have assumed full responsibility for their own balances and they will in future have to meet temporary deficits either by issuing treasury bills or by obtaining ways and means advances from the Bank. The average Government deposits with the Reserve Bank during each month of the year are shown in Statement XXX. It will be observed that the total fluctuated between Rs. 9,05 lakhs and Rs. 15,35 lakhs. On the last day of the year the total deposits amounted to Rs. 17,72 lakhs, including Rs. 5,04 lakhs on account of the Government of Burma. The Government balances are normally at their highest at the end of the year, since a large amount of revenue is received during March and there are heavy disbursements at the beginning of April. The figures given in Statement XXX do not include balances held at Government treasuries. The total balances held at treasuries in India and Burma averaged about Rs. 1½ crores but rose to Rs. 2,19 lakhs (including Rs. 29 lakhs in Burma) at the end of the year. The Imperial Bank of India continued to act as agent of the Reserve Bank for the transaction of Government business at places where there is no branch of the Reserve Bank.

31. *Ways and means advances.*—Statement XXX also shows the average loans and advances required by Governments from the Reserve Bank in each month of the year. It will be observed that advances were taken in seven of the twelve months. The maximum amount outstanding at any one time was Rs. 5 crores between the 5th and 13th of January 1938. These figures relate only to the Government of India. The Government of Burma did not require any ways and means advances, and under the special arrangement mentioned above the deficits of the Provincial Governments were carried by the Government of India.

32. *Balances in England.*—On the 31st of March 1938 the Secretary of State's balances with the Bank of England amounted to £740,325 (including £20,526 on account of Burma) as compared with £581,035 at the end of 1936-37. These balances are replenished by the Reserve Bank in accordance with requirements, the amounts transferred being debited to the rupee balances of the Governments concerned at the current rate of exchange. The disbursements of the High Commissioner for India and Burma are met directly by the Reserve Bank through its London Office. The total sterling requirements of the Governments of India and Burma (including those of the High

\* See paragraph 26.

Commissioner) during the years 1936-37 and 1937-38 were as follows :

	(in millions of £).	
	1936-37.	1937-38.
Excess of expenditure over revenue of the Government of India in London .. .. .	23.0	23.4
Expenditure on behalf of Provincial Governments..	2.7	2.2
Capital expenditure on Railways .. .. .	1.9	2.7
Debt discharged (net) .. .. .	14.0*	5.1
Unfunded debt (not payment) .. .. .	..	3.5
Net requirements of the Government of Burma ..	..	0.6
<i>Deduct—</i>		
Miscellaneous capital receipts .. .. .	—0.5	—0.3
Total ..	41.1	37.2

The amount shown under "Debt discharged" includes the cost of sterling securities purchased for cancellation† and also the amounts required in respect of maturing railway debentures. The net payment of £3,500,000 during 1937-38 on account of unfunded debt is mainly due to the transfer of certain family pension funds previously held by the Government of India to the custody of a special board of commissioners in London.

33. *The silver redemption reserve.*—On the inauguration of the Reserve Bank in 1935 the greater part of the assets previously held by the Government of India in the gold standard reserve and the paper currency reserve were transferred to the Reserve Bank as cover for the note issue. Sterling securities of the United Kingdom to the value of £7,500,000 (Rs.10 crores) were however retained to form a silver redemption reserve. The main purpose of this reserve is to enable the Government of India to make payment to the Reserve Bank in sterling, if necessary, in respect of the surplus rupees which the Bank is entitled to return under Section 36 of the Reserve Bank of India Act. The Bank returned five crores of rupees in April 1937, but the reserve was not used on this occasion since it was convenient for the Bank to receive payment in the form of rupee treasury bills. At the end of the financial year 1936-37 the value of the securities held in the silver redemption reserve had fallen slightly below £7,500,000 owing to the fact that the interest received on the securities during that year was not sufficient to cover the depreciation in their capital value. The deficiency was however made good during the financial year 1937-38.

## VIII.—MONEY CONDITIONS IN INDIA.

34. *Prices of Government securities.*—Statement XIV shows the prices of representative rupee securities of the Government of India since

\* Excludes £4,900,000 in respect of India Bonds purchased in previous years but cancelled during 1936-37.

† See paragraph 24.

1914, and Statement XV indicates the extent of the fluctuations during 1937-38. In the first three months of 1937 the prices of Government of India rupee securities had declined in sympathy with security prices in London. During March  $3\frac{1}{2}$  per cent. rupee paper dropped to Rs.91-4. At the beginning of April however it had recovered to Rs. 92-9 and later in the month the announcement of the British budget led to a further recovery to Rs.95-5. During the next three months prices fluctuated between Rs .94-2 and Rs. 96-12, but in August the increased confidence of the London market caused a further rise to Rs.98-7. The issue of the Provincial loans on the 31st of August had little effect on the prices of other securities, and during the next six months rupee paper fluctuated within comparatively narrow limits, prices ranging only from Rs.96-13 to Rs.99-2. In March anxiety regarding the international situation caused a decline to Rs.96-4 but at the end of the month the price had recovered to Rs.97-12. Thus although the price did not again rise above par, as it had done in the autumn of 1936, there were no fluctuations as violent as those of 1936-37. The maximum and minimum prices of the year were Rs.99-2. and Rs.92-9 as compared with Rs.100-15 and Rs.91-4 in the preceding year.

The prices of Government of India  $3\frac{1}{2}$  per cent. sterling stock have been given in Statement XV in order to indicate the growth of the disparity between those prices and the prices of the corresponding rupee stock. The latter began to establish a lead in March 1936 but until the end of that year the margin of difference seldom exceeded one point. Between January and March 1937 rupee securities declined less steeply than sterling securities and the margin increased to about three points. During 1937-38 it has widened still further. The average difference has been about five points and at some periods it has risen to as much as seven points. This must be attributed mainly to the confidence of the Indian investor in the sound financial position of the Government of India and the Provincial Governments, the absence of internal disturbances, and the comparative immunity of the Indian markets from the effects of political developments in Europe. Another factor which has probably had some influence is the new Insurance Act which requires all Insurance Companies doing business in India to keep deposits with the Reserve Bank in the form of either cash or "approved securities." The Act was finally passed in February 1938 but its provisions had been under discussion during the preceding two years.

As a result of the increasing disparity between rupee and sterling security prices there has undoubtedly been a considerable volume of remittances for private investment in England and elsewhere. These remittances have already been mentioned in paragraph 8 as being probably one of the most important of the invisible items in India's balance of accounts. Up to the end of the year, however, there was no indication of their having any appreciable effect on the level of prices.

35. *The money market.*—The bank rate was 3 per cent. throughout the year. This is the standard rate at which the Reserve Bank is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Act. It was last changed on the 28th of November 1935 when it was reduced from  $3\frac{1}{2}$  per cent. to its present level. The Imperial Bank *hundi* rate, which is the rate at which the Imperial Bank is prepared to discount first class three months' bills, also remained unchanged at 3 per cent. The rates charged by shroffs for discounting the bills of small traders in the bazaar are reported to have averaged between 5 and 6 per cent. in Bombay throughout the year, but to have risen to a rather higher level at Calcutta during the busy season. There are of course no official quotations for these rates.

At the beginning of the year there was a considerable demand for call loans, and borrowers had to pay from  $1\frac{3}{4}$  to 2 per cent. By the last week of April however the stringency had passed and the average rate had declined to about  $\frac{3}{4}$  per cent. Subject to minor fluctuations this continued to be the normal rate until August, when the slack season resulted in a further decline to  $\frac{1}{2}$  per cent. and at some periods  $\frac{1}{4}$  per cent. There is usually a marked increase in the demand for money during the later months of the financial year, but this year the decline in the volume of trade led to a continuance of comparatively easy conditions and the call money rate seldom rose above  $\frac{3}{4}$  per cent.

36. *Scheduled banks' consolidated position.*—Statement XVI shows the consolidated position of the scheduled banks in each month of the year. The scheduled banks are those banks which have a paid-up capital and reserves of an aggregate value of not less than Rs. 5 lakhs and which are therefore required under Section 42 of the Reserve Bank of India Act to maintain deposits with the Reserve Bank. The number of scheduled banks in India and Burma rose from 50 to 54 during the year. In 1936-37 there had been a steady increase in the total demand and time liabilities. The figure for March 1937 was Rs. 2,37,83 lakhs as compared with Rs. 2,21,76 lakhs in March 1936. As will be seen from the Statement the increase continued during the first half of 1937-38, reaching Rs. 2,44,65 lakhs in November, but in the last four months of the year the total declined to Rs. 2,37,80 lakhs. The average figure for advances was considerably higher than in the previous year. It is noteworthy however that whereas in 1936-37 advances increased steadily during the busy season from October until the end of the financial year, the 1937-38 figures show no similar increase until January, and the total increase between October and March was approximately Rs. 15 crores as compared with Rs. 36 crores in the corresponding period of the previous year. A natural corollary to the increase in advances was a decrease in total cash balances including deposits with the Reserve Bank.\*

37. *Clearing house statistics.*—Statement XVII shows the total value of the cheques cleared through each of the clearing houses in India

\* See also Statement XXVIII.

and Burma since 1918-19. As will be seen from the Statement the total for 1937-38 was Rs. 20,51 crores as compared with Rs. 19,32 crores in 1936-37 and was the highest since 1921-22. In each of the last three months of the year however the total was lower than in the corresponding month of the previous year. The comparative figures for each quarter are as follows :—

	1936-37.	1937-38.
	(in lakhs of rupees.)	
1st quarter .. ..	456,96	579,00
2nd „ .. ..	433,96	466,49
3rd „ .. ..	482,29	527,50
4th „ .. ..	558,45	478,13

38. *Internal remittance.*—Statements XVIII, XIX and XX give statistics of the various forms of remittance within India and Burma. In the course of the year the Reserve Bank devised a scheme which it is hoped will result in a considerable simplification of the existing remittance arrangements. The scheme has been referred to the Government of India and to the Provincial Governments.

### IX.—CURRENCY NOTES AND COIN.

39. *Changes in form of currency.*—Section 22 of the Reserve Bank of India Act gives the Reserve Bank the sole right to issue currency notes in British India but provides for the use of Government of India currency notes during the initial period. Under the India and Burma (Burma Monetary Arrangements) Order, 1937, the Reserve Bank has also the exclusive right of note issue in Burma. Reserve Bank of India notes were first issued to the public in India in January 1938 when supplies of five rupee notes became available. Ten rupee notes were issued in the following month. Notes of the Rs. 100, Rs. 1,000 and Rs. 10,000 denominations were not ready for issue before the end of the year. The Bank does not propose to issue Rs. 50 or Rs. 500 notes, but Government of India notes of these and all other denominations continue to be full legal tender. As a temporary measure Government of India currency notes were surcharged for use in Burma after its separation from India. A separate series of Reserve Bank notes is being prepared for issue in Burma.

There were no changes during the year either in the denominations or in the designs of the coins in use in India. A new set of coins bearing the head of King George VI is under preparation. Burma continues for the present to use Government of India rupees and small coin.

40. *Circulation of currency notes and coin.*—Statement XXI shows the average circulation of currency notes since they were introduced in 1889-90, and Statements XXII and XXIII show the annual absorption and return of currency notes, rupees and small coin since 1914. The graphs printed opposite these Statements show variations during the



last three years. The continued return of rupees resulted in an increase in the amount held in the Issue Department of the Reserve Bank,\* and as has already been mentioned the Bank took advantage of the provisions of the section 36 of the Act to return five crores of rupees to the Government of India in April 1937.

The three graphs support the evidence of other statistics regarding the general trend of trade and business activity during this period. It will be observed that in February and again in April 1937 the active note circulation reached a total of Rs. 197 crores, which is the highest figure so far recorded. The ensuing slack season caused a rather steeper decline than usual, but until about the end of September the total remained more than Rs. 16 crores above the corresponding period of the previous year. Thereafter the graphs converge more rapidly, since the steep rise which occurred in the last quarter of 1936 was not reproduced in 1937. They cross in the third week of December, and although there was an increase between January and March 1938 the total remained below the level of the previous year. The absorption of both rupees and small coin reached its maximum in the last quarter of 1937 and in both cases the seasonal rise at the corresponding period of 1937 fell considerably short of the level achieved in the previous year.

Another feature of the absorption figures which is clearly brought out by the graphs is that whereas rupees have continued to return from circulation there has been a considerable increase in the circulation of small coin. The decline in the demand for rupees must be mainly attributed to the increasing use of currency notes and this tendency naturally does not affect small coin to the same extent. It seems probable however that the contrast presented by the two graphs has been accentuated by a lack of confidence in the rupee coin in certain parts of the country owing to an increase in the number of counterfeits. It will be observed from Statement XXIII that during the last two years there has been a larger increase in the demand for half and quarter rupees than in the demand for coin of the lower values. The Reserve Bank has brought this question to the notice of the Government of India and additional measures for the prevention of counterfeiting are under consideration.

41. *Absorption of rupees by circles.*—The net absorption or return of rupees in each currency circle during the last four years is as follows :—

					(in lakhs of rupees.)			
					1934-35.	1935-36.	1936-37.	1937-38.
Calcutta	..	..	..	..	— 69	—1,90	— 88	— 85
Cawnpore	..	..	..	..	—1,21	—2,94	— 69	—1,77
Lahore	..	..	..	..	—1,28	—1,14	— 36	— 75
Bombay	..	..	..	..	— 48	—3,20	— 95	— 3,80
Karachi	..	..	..	..	+ 7	+ 2	+ 11	+ 33
Madras	..	..	..	..	+ 23	— 44	+ 9	+ 52
Rangoon	..	..	..	..	+ 15	+ 14	+ 19	— 20
Total ..					—3,21	—9,46	—2,49	—6,52

\* See Statement XXVII.

These figures indicate that the decline in the demand for rupees does not extend to all parts of the country. The Karachi circle shows a net absorption in each year while the Madras and Rangoon circles show a net absorption in three out of the four years.

42. *Circulation of notes by denominations.* Statement XXIV shows the circulation of notes of each denomination up to Rs. 1,000 for 1914 and for each year since 1921. The Rs. 10,000 denomination has been excluded since it is seldom used except by banks. Currency notes for Re. 1 and Rs. 2-8 were introduced as a war time measure but they have not been issued since 1926. Notes of the Rs. 20 denomination have not been issued since 1910.

43. *Life of currency notes.*—On the basis of the ratio of the number of notes outstanding to the number of notes cancelled during the year the average life of notes of each denomination during the last three years is as follows :—

Average life in months—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	5	10	50	100	500	1,000	10,000
(a) including notes held in currency chests .. .. .	15	14½	12½	14½	14½	4½	1½
(b) excluding notes held in currency chests .. .. .	6½	7½	5½	7½	2½	2½	3½

The actual period for which the notes ordinarily remain in circulation appears to lie between the two sets of figures given above.

44. *Old notes.*—Section 34 of the Reserve Bank of India Act prescribes that any currency note or bank note which has not been presented for payment within forty years from its date of issue shall be deemed not to be in circulation. The value of the currency notes written off under this section during 1937-38 amounted to Rs. 84,850 as compared with Rs. 1,27,770 in 1936-37. Refunds in respect of notes previously written off amounted to Rs. 1,780.

45. *Lost, destroyed and mutilated notes.*—The number of lost, destroyed and mutilated notes in respect of which claims have been admitted during the last four years is as follows :

	1934-35.	1935-36.	1936-37.	1937-38.
Lost or wholly destroyed notes .. .. .	178	358	139	162
Half notes .. .. .	1,034	594	866	1,276
Mutilated notes .. .. .	36,568	39,925	54,364	73,489

No false claims in respect of such notes were reported during the year. Two criminal prosecutions were instituted in connection with claims submitted in 1936-37. One of these resulted in a conviction and the other was still pending at the end of 1937-38.

46. *Note forgeries.*—The total number of forged notes brought to notice during the year was 1,944 as compared with 1,271 in 1936-37 and 1,405 in 1935-36. These forgeries were distributed as follows :—

Denomination of notes	Rs. 1.	Rs. 2-8.	Rs. 5.	Rs. 10.	Rs. 50.	Rs. 100.
Number of forgeries	3	1	74	1,710	1	155

Thirty-five prosecutions were instituted during the year in connection with forged notes. Of these eighteen have resulted in the conviction of the accused. The number of cases pending at the close of the year was forty-three. Eight of the cases pending at the close of the previous year have resulted in convictions.

47. *Composition of rupee coinage.*—Once a year a portion of the rupees held at each treasury in India and Burma is examined in order to determine the composition of the rupee circulation according to the date borne by each coin. The results of this examination are shown in Statement XXV. Statement XXVI shows the quantity of rupees coined in each year since 1835. There has been no coinage of rupees since 1922.

48. *Withdrawal of silver coin.*—The total value of the silver coin withdrawn from circulation during 1937-38 is as follows :—

	(lakhs of rupees)
William IV 1835	.10
Victoria Queen 1840	8.27
Victoria Queen 1862 and 1874-76	1,19.71
Victoria Empress 1877-1901	8,62.18
George V 1911	.18
Shroff marked coin	.03
Other uncurrent coin	61.94
	10,82.41

The corresponding totals for 1936-37 and 1935-36 were Rs. 4,20 lakhs and Rs. 5,92 lakhs respectively. The increase in 1937-38 is almost entirely due to the increased withdrawal of Victoria Empress coin. All Victoria coin continues to be full legal tender but its withdrawal is being accelerated with a view to improving the quality of the rupees in circulation.

The number of light-weight silver coins withdrawn from circulation during the year is as follows :—

	Over 2 per cent. but not more than 6½ per cent.	Over 6½ per cent. but not more than 12½ per cent.	Over 12½ per cent. but not more than 25 per cent.	Over 25 per cent.	Total.
Rupees	5,29,734	39,772	.....	42,395	6,11,901
Half rupees	.....	.....	17,59,247	18,418	17,95,766
Quarter rupees	.....	.....	2,19,033	1,65,848	3,86,473
Eighth rupees	.....	.....	1,911	6,656	9,064
Total	5,29,734	39,772	19,80,191	1,90,922	28,03,204

Silver two anna pieces are still legal tender but they have not been reissued since 1925-26. The total amount withdrawn from circulation during 1937-38 was Rs. 1,71,000 as compared with Rs. 2,97,000 in 1936-37.

49. *Withdrawal of nickel and copper coin.*—Since 1924 eight anna nickel coins have been received only at currency offices. Double pice are also being withdrawn from circulation but are still received at treasuries as well as currency offices. The total nominal value of the coin withdrawn during 1937-38 is as follows :—

	Rs.
Eight anna nickel .. ..	2,485
Double pice .. ..	14,527

As regards other denominations the amounts of badly worn or defaced coin withdrawn from circulation during the year are :—

	Rs.
Four anna nickel .. ..	18,665
Two anna nickel .. ..	52,716
One anna nickel .. ..	8,54,036
Copper and bronze coins ..	1,96,572

50. *Counterfeit coin.*—The number of counterfeit coins cut at treasuries and railway stations during the last three years is as follows :—

#### SILVER COIN.

	Rupees.	Half rupees.	Quarter rupees.	Eighth rupees.	Total.
1935-36 .. ..	1,56,412	12,788	9,777	1,327	1,80,304
1936-37 .. ..	1,61,436	12,891	10,762	1,283	1,87,372
1937-38 .. ..	1,82,654	14,526	8,745	667	2,06,592

#### NICKEL COIN.

	Eight anna.	Four anna.	Two anna.	One anna.
1935-36 .. ..	409	11,320	35,458	20,946
1936-37 .. ..	239	13,914	52,015	20,180
1937-38 .. ..	305	12,528	44,651	20,535

### X.—THE RESERVE BANK OF INDIA.

51. *Issue and Banking Departments.*—Statements XXVII and XXVIII summarise the position of the Issue and Banking Departments of the Reserve Bank in each month of the year. The Bank's holding of gold coin and bullion has remained unchanged at Rs. 44,42 lakhs since its inauguration in April 1935. The total amount of sterling securities held in the Issue Department increased from Rs. 48,63 lakhs in April 1935 to Rs. 80,31 lakhs in May 1937, and stood at Rs. 78,81 lakhs at the end of the year 1937-38. "Balances held

abroad " decreased during the year as a result of the decline in the amount of sterling purchased in India. Other items in these Statements have been mentioned in earlier sections of the report.\*

52. *Balance Sheet and Profit and Loss Account.*—For facility of reference Statements XXIX and XXX reproduce the Balance Sheet and the Profit and Loss Account for the year 1937, which were submitted to the third annual general meeting of the shareholders of the Bank in February 1938. The surplus available for payment to the Government of India amounted to Rs. 10,41,200 as compared with Rs. 35,92,100 in 1936. The decrease is mainly due to the low rate of interest obtainable on short dated securities of the United Kingdom, which formed a larger proportion of the Bank's investments than in previous years. The proviso to Section 33 (6) of the Reserve Bank of India Act allowed the Bank to hold United Kingdom securities of any maturity during the first two years of its existence, but with effect from the 1st of April 1937 all such securities held in the Issue Department must be securities maturing within five years.

53. *Distribution of shares.*—Statement XXXI shows the distribution of shares and the number of shareholders on the 1st of April 1935 and on the 31st of December 1937. It will be observed that there has been a considerable decrease in the total number of shareholders and that the number of shares held in the Bombay area has increased at the expense of the other four areas. These tendencies have been brought to the notice of the Government of India.

\* See paragraphs 30, 36 and 40.

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**STATEMENTS.**

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**STATEMENT I.**  
**INDEX NUMBERS OF WHOLESALE PRICES.**  
*(Reference paragraphs 2 to 4.)*

						India.		United	United	Japan.
						Calcutta.	Bombay.	Kingdom.	States of	
						(a)		(b)	(b)	(b)
1915 average	..	..	..	..	..	112	....	....	70	97
1916	..	..	..	..	..	128	....	....	86	117
1917	..	..	..	..	..	145	....	....	118	149
1918	..	..	..	..	..	178	239	....	131	196
1919	..	..	..	..	..	196	223	....	139	236
1920	..	..	..	..	..	201	216	307	154	259
1921	..	..	..	..	..	178	198	197	98	200
1922	..	..	..	..	..	176	187	159	97	196
1923	..	..	..	..	..	172	181	159	101	199
1924	..	..	..	..	..	173	182	166	98	207
1925	..	..	..	..	..	159	163	159	104	202
1926	..	..	..	..	..	148	149	148	100	179
1927	..	..	..	..	..	148	147	141	95	170
1928	..	..	..	..	..	145	146	140	97	171
1929	..	..	..	..	..	141	145	100	160	100
1930	..	..	..	..	..	116	126	88	91	82
1931	..	..	..	..	..	96	109	77	77	70
1932	..	..	..	..	..	91	109	75	68	73
1933	..	..	..	..	..	87	98	75	69	82
1934	..	..	..	..	..	89	95	77	79	81
1935	..	..	..	..	..	91	99	78	84	84
1936	..	..	..	..	..	92	97	83	85	90
1937 January	..	..	..	..	..	98	104	90	90	106
.. February	..	..	..	..	..	99	103	91	91	105
.. March	..	..	..	..	..	100	110	94	92	109
.. April ..	..	..	..	..	..	103	108	95	92	113
.. May ..	..	..	..	..	..	103	109	97	92	110
.. June ..	..	..	..	..	..	102	106	97	92	108
.. July ..	..	..	..	..	..	104	108	98	92	100
.. August	..	..	..	..	..	105	108	98	92	107
.. September	..	..	..	..	..	104	108	97	92	109
.. October	..	..	..	..	..	105	105	97	90	108
.. November	..	..	..	..	..	103	105	95	87	108
.. December	..	..	..	..	..	102	104	94	86	110
1938 January	..	..	..	..	..	100	104	94	85	112
.. February	..	..	..	..	..	97	103	93	84	113
.. March	..	..	..	..	..	96	100	91	84	114

(a) Monthly Survey of Business Conditions in India.

(b) League of Nations Monthly Bulletin of Statistics.

**STATEMENT II.**  
**BALANCE OF TRADE.**  
*(Reference paragraphs 5 to 8.)*

(in lakhs of rupees).

	1935-36.	1936-37.	India.	1937-38.	
				Burma.	India & Burma.
Exports of merchandise (private) ..	+ 1,64,37 (3,85)	+ 2,00,79 (4,66)	+ 1,74,97 (4,44)	+ 24,64	+ 1,99,61
Re-exports of foreign merchandise (private) .. .. .	+ 3,78 (1)	+ 6,22 (2)	+ 7,45 (9)	+ 10	+ 7,55
Imports of foreign merchandise (private) .. .. .	- 1,38,78 (5,09)	- 1,27,50 (2,92)	- 1,51,52 (4,44)	- 12,10	- 1,63,62
<b>BALANCE OF TRADE IN MER- CHANDISE (PRIVATE) ..</b>	<b>+ 29,37</b>	<b>+ 79,51</b>	<b>+ 30,90</b>	<b>+ 12,64</b>	<b>+ 43,54</b>
Gold (private) .. .. .	+ 37,35	+ 27,85	+ 16,34	- 1	+ 16,33
Silver (private) .. .. .	- 1,27	- 13,59	- 2,49	+ 99	- 1,50
Currency notes (private) .. ..	+ 29	+ 24	+ 28	....	+ 28
<b>BALANCE OF TRANSACTIONS IN TREASURE (PRIVATE) ..</b>	<b>+ 36,37</b>	<b>+ 14,50</b>	<b>+ 14,13</b>	<b>+ 98</b>	<b>+ 15,11</b>
<b>TOTAL VISIBLE BALANCE OF TRADE .. .. .</b>	<b>+ 65,74</b>	<b>+ 94,01</b>	<b>+ 45,03</b>	<b>+ 13,62</b>	<b>+ 58,65</b>
Purchase of sterling by the Reserve Bank of India .. .. .	- 45,58	- 70,87	....	....	- 33,29
Sales of sterling by the Reserve Bank of India .. .. .	....	....	....	....	....
Transfers of Government securities ..	- 56	- 18	....	....	- 11
Interest drafts on India in respect of Government of India securities ..	- 31	- 29	....	....	- 28
<b>BALANCE OF REMITTANCE OF FUNDS .. .. .</b>	<b>- 46,45</b>	<b>- 71,34</b>	<b>....</b>	<b>....</b>	<b>- 33,68</b>
<b>TOTAL VISIBLE BALANCE OF ACCOUNTS .. .. .</b>	<b>+ 19,20</b>	<b>+ 22,67</b>	<b>....</b>	<b>....</b>	<b>+ 24,97</b>

*Note 1.*—Combined figures for India and Burma have been given in respect of 1937-38 as well as previous years. Trade between India and Burma has been excluded.

*Note 2.*—The figures relating to the balance of trade in merchandise include imports and exports through Indian State ports in Kathiawar and Travancore. The amounts imported and exported through these ports are shown in brackets.



**STATE**  
**IMPORTS AND EXPORTS OF GOLD**  
*(Reference)*

**IMPORTS.**

	<b>Bullion.</b>		<b>Sovereigns and other British gold coin.</b>		<b>TOTAL.</b>	
	<b>Quantity</b>	<b>Value in</b>	<b>Quantity</b>	<b>Value in</b>	<b>Quantity</b>	<b>Value in</b>
	<b>in ounces.</b>	<b>rupees.</b>	<b>in ounces.</b>	<b>rupees.</b>	<b>in ounces.</b>	<b>rupees.</b>
Average for 1910-11 to 1914-15 .. .. .	2,115,569	13,49,74,877	2,786,453	16,42,39,305	4,902,022	29,92,14,272
Average for 1915-16 to 1919-20 .. .. .	2,423,885	14,94,65,235	796,983	4,70,10,473	3,220,868	19,64,84,708
Average for 1920-21 to 1924-25 .. .. .	4,344,849	28,54,42,004	1,183,850	7,90,80,246	5,528,699	36,45,22,250
1925-26 .. .. .	4,447,036	25,26,78,970	1,754,479	9,96,20,393	6,201,515	35,22,99,363
1926-27 .. .. .	2,420,259	13,86,46,145	982,747	5,63,65,857	3,403,006	19,50,12,002
1927-28 .. .. .	2,001,041	11,42,46,018	1,186,985	6,70,96,044	3,188,026	18,13,44,062
1928-29 .. .. .	2,070,197	11,81,68,903	1,718,388	9,40,20,780	3,788,585	21,21,89,692
1929-30 .. .. .	1,194,246	6,83,46,025	1,331,001	7,39,65,452	2,525,247	14,23,11,477
1930-31 .. .. .	1,099,230	6,31,40,997	1,230,306	6,93,11,456	2,329,626	13,24,52,453
1931-32 .. .. .	235,609	1,53,60,459	214,441	1,26,34,905	450,050	2,79,95,364
1932-33 .. .. .	119,742	91,13,200	52,670	40,68,191	172,412	1,31,81,391
1933-34 .. .. .	105,507	85,60,464	29,394	24,33,821	134,901	1,09,94,285
1934-35 .. .. .	62,015	55,38,348	17,977	16,54,753	79,992	71,93,101
1935-36 .. .. .	56,200	50,72,099	47,261	44,23,311	103,461	94,95,410
1936-37 .. .. .	61,086	57,09,880	111,695	1,03,78,239	172,781	1,60,88,119
1937-38 .. .. .	39,967	34,61,069	131,699	1,22,23,092	171,666	1,56,84,161
Total for 21 years from 1910-11 to 1930-31 ..	57,653,524	360,46,37,638	32,040,426	191,20,77,561	89,693,950	551,67,15,199
Total for 7 years from 1931-32 to 1937-38 ..	680,126	5,28,15,519	605,137	4,78,16,312	1,285,263	10,06,31,831

### MENT III.

#### COIN AND BULLION SINCE 1910.

*paragraph 11.)*

Bullion.		EXPORTS.				Net imports or exports.	
		Sovereigns and other British gold coin.		TOTAL.		Imports + Exports—	
Quantity	Value in	Quantity	Value in	Quantity	Value in	Quantity	Value in
in ounces.	rupees.	in ounces.	rupees.	in ounces.	rupees.	in ounces.	rupees.
535,654	3,07,80,183	254,980	1,50,03,372	790,634	4,57,92,555	+ 4,111,388	+ 25,34,21,717
851,352	4,91,96,247	223,682	1,31,45,685	1,075,034	6,23,41,932	+ 2,145,834	+ 13,41,42,776
907,000	6,99,52,231	101,892	74,74,737	1,008,892	7,74,26,968	+ 4,519,807	+ 28,70,95,282
41,037	23,26,183	24,897	14,27,381	65,934	37,53,564	+ 6,135,581	+ 34,85,45,799
8,567	4,91,792	8,910	5,14,762	17,477	10,06,554	+ 3,385,529	+ 19,40,05,448
2,052	98,300	4,215	2,45,730	6,267	3,44,030	+ 3,181,769	+ 18,10,00,923
1,577	1,05,457	1,567	97,257	3,144	2,02,714	+ 3,785,441	+ 21,19,86,978
1,083	65,559	602	37,522	1,685	1,03,081	+ 2,523,562	+ 14,22,08,396
86,884	49,29,307	89	5,031	86,973	49,34,338	+ 2,242,653	+ 12,76,18,115
7,758,315	58,43,62,379	321,112	2,33,60,827	8,079,427	60,77,23,206	— 7,629,377	— 57,97,27,842
8,102,406	63,46,29,676	423,835	3,37,79,671	8,526,241	66,84,09,347	— 8,353,820	— 65,52,27,956
6,645,012	56,59,86,325	186,187	1,55,43,921	6,830,199	58,15,30,246	— 6,695,298	— 57,05,35,961
5,723,675	52,76,09,980	51,137	49,57,728	5,774,812	53,25,67,708	— 5,694,820	— 52,53,74,607
4,072,548	37,83,21,643	50,175	47,33,722	4,122,723	38,30,55,365	— 4,019,262	— 37,35,59,955
3,183,450	29,45,14,987	367	34,261	3,183,817	29,45,49,248	— 3,011,036	— 27,84,61,129
1,841,172	17,00,08,595	97,311	80,93,695	1,938,483	17,90,02,290	— 1,766,817	— 16,33,18,129
11,611,230	75,77,04,903	2,943,050	18,04,46,662	14,554,280	93,81,51,565	+ 75,139,670	+ 457,85,63,634
37,326,578	315,54,33,585	1,129,124	9,14,03,825	38,455,702	324,68,37,410	— 37,170,430	— 314,62,05,579

# STATE

## IMPORTS AND EXPORTS OF GOLD

(Reference

### IMPORTS.

				Bullion.		Sovereigns and other British gold coin.		TOTAL.	
				Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.
April	1937	..	..	3,140	2,91,666	21,311	19,89,311	24,451	22,80,877
May	..	..	..	3,052	2,71,110	14,918	13,90,900	17,970	16,62,010
June	..	..	..	1,963	1,73,927	34,355	31,83,980	36,308	33,57,907
July	..	..	..	1,552	1,24,281	10,763	9,92,931	12,315	11,17,215
August	..	..	..	2,915	2,67,285	4,997	4,60,231	7,912	7,27,516
September	..	..	..	5,150	3,71,862	21,656	20,04,264	26,806	23,76,116
October	..	..	..	1,590	1,45,941	6,159	5,71,780	7,755	7,17,721
November	..	..	..	3,539	3,25,034	3,861	3,56,607	7,400	6,81,841
December	..	..	..	4,419	4,04,620	4,511	4,15,268	8,930	8,19,888
January	1938	..	..	5,700	4,80,268	2,361	2,16,962	8,061	7,06,230
February	..	..	..	1,443	1,29,307	3,192	3,02,520	4,635	4,31,827
March	..	..	..	5,508	4,66,878	3,615	3,38,335	9,123	8,05,213
TOTAL				39,967	34,61,069	131,699	1,22,23,092	171,666	1,56,84,161

## MENT IV.

### COIN AND BULLION DURING 1937-38.

*paragraphs 9 and 11).*

Bullion.		Sovereigns and other British gold coin.		TOTAL.		Net imports or exports. Imports + Exports—	
Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.	Quantity in ounces.	Value in rupees.
196,660	1,83,27,903	116	11,250	196,776	1,83,39,153	—	1,60,58,276
158,915	1,46,91,014	117	11,375	159,032	1,47,02,389	—	1,30,40,379
87,475	80,92,373	527	48,857	88,002	81,41,230	—	47,83,323
260,368	2,40,10,041	193	17,839	260,561	2,40,27,880	—	2,29,10,665
155,977	1,43,61,322	434	39,922	156,411	1,44,01,244	—	1,36,73,728
156,285	1,44,81,775	....	....	156,285	1,44,81,775	—	1,21,05,659
140,678	1,30,40,415	70	6,516	140,748	1,30,46,931	—	1,23,29,210
127,399	1,17,52,133	....	....	127,399	1,17,52,133	—	1,10,70,492
167,532	1,53,96,159	13,301	12,21,612	180,833	1,66,17,771	—	1,57,97,863
166,795	1,53,23,041	1,641	1,50,640	168,436	1,54,73,681	—	1,47,67,451
196,252	1,80,57,282	20,227	18,60,909	216,479	1,99,18,191	—	1,94,86,364
26,836	24,75,137	60,685	56,24,775	87,521	80,99,912	—	72,94,699
1,841,172	17,00,08,595	97,311	89,93,695	1,938,483	17,90,02,290	—	16,33,18,120

**STATEMENT V.**  
**PRICE OF GOLD DURING 1937-38.**

(Reference paragraph 11).

				Price of gold in London per fine ounce.		Price of country bar gold in Bombay per tola.	
				Highest.	Lowest.	Highest.	Lowest.
				£ s. d.	£ s. d.	Rs. a. p.	Rs. a. p.
April	1937	..	..	7 2 1½	7 0 3½	35 2 9	34 5 0
May	..	..	..	7 0 10	7 0 6½	35 2 6	34 3 6
June	..	..	..	7 0 9	7 0 3½	34 14 6	34 9 6
July	..	..	..	7 0 6	6 19 6½	34 11 0	34 7 9
August	..	..	..	7 0 1	6 19 3½	34 11 3	34 7 3
September	..	..	..	7 0 7½	7 0 ½	34 14 0	34 10 0
October	..	..	..	7 0 8	7 0 4	34 13 6	34 10 6
November	..	..	..	7 0 7	6 19 10	34 11 0	34 8 0
December	..	..	..	7 0 ½	6 19 6	34 8 6	34 6 3
January	1938	..	..	6 19 9½	6 19 5	34 7 9	34 6 0
February	..	..	..	6 19 10½	6 19 7	34 9 0	34 5 6
March	..	..	..	7 0 5½	6 19 6½	34 14 9	34 7 9

**STATEMENT VI.**

**PRICE OF SILVER DURING 1937-38.**

(Reference paragraph 15.)

				Price in Bombay per 100 tolas (country bar).		Price in London per standard ounce.		Price in New York per fine ounce.	
				Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
				Rs. a.	Rs. a.	d.	d.	Cents.	Cents.
April	1937	..	..	56 15½	52 9	21½	20½	46½	44½
May	..	..	..	53 1	52 8	20½	20½	46½	44½
June	..	..	..	52 13½	51 2	20½	19½	45	44½
July	..	..	..	52 9	51 8½	20½	19½	44½	44½
August	..	..	..	52 0	48 14	20½	19½	44½	44½
September	..	..	..	51 10½	50 8½	20	19½	44½	44½
October	..	..	..	51 4	50 9½	20½	19½	44½	44½
November	..	..	..	50 14½	49 11½	19½	19½	44½	44½
December	..	..	..	50 0	46 1½	19½	18½	44½	44½
January	1938	..	..	50 15	48 6½	20½	19½	44½	44½
February	..	..	..	51 1½	49 10	20½	19½	44½	44½
March	..	..	..	51 15	47 12	20½	18½	44½	42½

## STATEMENT VII.

### IMPORTS AND EXPORTS OF SILVER COIN AND BULLION SINCE 1910.

(Reference paragraph 13.)

	Imports.		Exports.		Net imports (+) or exports.(-)
	Rs.		Rs.		Rs.
Average for 1910-11 to 1914-15 .. .. .	14,13,58,602	3,52,17,276	+ 10,61,41,326		
Average for 1915-16 to 1919-20 .. .. .	30,70,50,526	2,74,11,840	+ 27,96,38,686		
Average for 1920-21 to 1924-25 .. .. .	19,18,47,079	3,45,76,258	+ 15,72,70,821		
1925-26 .. .. .	19,89,70,504	2,77,29,354	+ 17,12,41,150		
1926-27 .. .. .	21,76,34,160	1,89,53,825	+ 19,86,80,335		
1927-28 .. .. .	16,47,37,417	2,63,69,190	+ 13,83,68,227		
1928-29 .. .. .	15,92,18,307	6,15,11,381	+ 9,77,06,926		
1929-30 .. .. .	13,41,90,827	4,79,78,629	+ 8,62,12,198		
1930-31 .. .. .	13,46,62,717	3,38,69,661	+ 10,07,93,056		
1931-32 .. .. .	4,42,63,962	4,84,81,050	- 42,17,088		
1932-33 .. .. .	1,02,95,157	3,64,26,108	- 2,01,30,951		
1933-34 .. .. .	81,72,592	7,17,44,018	- 6,35,71,426		
1934-35 .. .. .	4,45,10,039	9,85,74,841	- 5,40,64,802		
1935-36 .. .. .	6,45,68,617	7,03,09,479	- 57,40,862		
1936-37 .. .. .	13,87,64,907	28,47,136	+ 13,59,17,471		
1937-38 .. .. .	2,50,21,276	99,56,495	+ 1,50,64,781		

## STATEMENT VIII.

### IMPORTS AND EXPORTS OF SILVER COIN AND BULLION DURING 1937-38.

(Reference paragraph 13.)

	Imports.		Exports.		Net exports or imports.
	Rs.		Rs.		Imports (+) Exports (-)
April 1937 .. .. .	16,30,679	7,93,709	+ 8,36,970		
May .. .. .	20,97,129	2,08,726	+ 18,88,403		
June .. .. .	72,93,269	4,72,202	+ 68,21,067		
July .. .. .	45,91,501	2,64,679	+ 43,26,822		
August .. .. .	29,11,056	5,52,984	+ 23,58,072		
September .. .. .	45,30,841	7,13,870	+ 38,16,971		
October .. .. .	1,19,899	21,600	+ 98,299		
November .. .. .	3,23,939	5,21,077	- 1,97,138		
December .. .. .	5,14,398	19,40,529	- 14,26,131		
January 1938 .. .. .	7,25,331	31,88,614	- 24,63,283		
February .. .. .	1,44,698	11,19,184	- 9,74,486		
March .. .. .	2,38,536	1,59,321	+ 79,215		
<b>TOTAL 1937-38</b>	<b>2,50,21,276</b>	<b>99,56,495</b>	<b>+ 1,50,64,781</b>		

## STATEMENT IX.

RATES OF EXCHANGE DURING 1937-38.

(Reference paragraph 17.)

	London--New York cross rate.		Franc-sterling rate.		Telegraphic transfers on London.		
	Dollars to pound sterling.		Francs to pound.		Shillings to rupee.		
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	
						sh. d.	sh. d.
April 1937 .. ..	4.9485	4.892	111.63	106.25	1 6 $\frac{1}{4}$	1 6 $\frac{3}{4}$	
May .. ..	4.9472	4.9335	110.94	109	1 6 $\frac{3}{8}$	1 6 $\frac{3}{8}$	
June .. ..	4.9445	4.9235	111	110.38	1 6 $\frac{5}{8}$	1 6 $\frac{5}{8}$	
July .. ..	4.9825	4.9375	135.13	120	1 6 $\frac{3}{4}$	1 6 $\frac{3}{4}$	
August .. ..	4.9919	4.9669	133	132.63	1 6 $\frac{3}{8}$	1 6 $\frac{3}{8}$	
September .. ..	4.9680	4.9465	147.50	132.69	1 6 $\frac{3}{4}$	1 6 $\frac{3}{8}$	
October .. ..	4.9644	4.95	152.50	144.38	1 6 $\frac{3}{8}$	1 6 $\frac{3}{8}$	
November .. ..	5.02	4.9627	147.63	147	1 6 $\frac{3}{8}$	1 6 $\frac{3}{8}$	
December .. ..	5.0017	4.9880	147.38	147	1 6 $\frac{5}{8}$	1 6 $\frac{5}{8}$	
January 1938 .. ..	5.01	4.995	153.25	147.19	1 6 $\frac{5}{8}$	1 6 $\frac{5}{8}$	
February .. ..	5.0360	5.0065	154.50	151.13	1 6 $\frac{1}{2}$	1 6 $\frac{1}{2}$	
March .. ..	5.02	4.9469	167.50	153.06	1 6 $\frac{3}{8}$	1 6 $\frac{3}{8}$	

## STATEMENT X.

PURCHASES OF STERLING BY THE RESERVE BANK OF INDIA.

(Reference paragraph 18.)

(in thousands of £ and Rs.)

	1936-37.			1937-38.		
	Sterling purchased in India.		Average rate.	Sterling purchased in India.		Average rate.
	£.	Rs.	s. d.	£.	Rs.	s. d.
April .. ..	3,570	4,72,72	1 6.125	5,450	7,21,63	1 6.126
May .. ..	1,000	1,32,41	1 6.125	95	12,58	1 6.125
June .. ..	2,225	2,94,62	1 6.125	985	1,30,43	1 6.125
July .. ..	2,555	3,38,32	1 6.125	425	56,28	1 6.125
August .. ..	1,430	1,80,35	1 6.125	753	99,71	1 6.125
September .. ..	3,565	4,72,06	1 6.125	80	10,59	1 6.125
October .. ..	5,000	6,62,07	1 6.125	3,035	4,01,88	1 6.125
November .. ..	4,000	5,29,66	1 6.125	650	86,07	1 6.125
December .. ..	8,314	11,00,11	1 6.138	570	75,48	1 6.125
January .. ..	9,588	12,68,09	1 6.134	3,270	4,32,99	1 6.125
February .. ..	8,130	10,76,49	1 6.126	4,045	6,54,79	1 6.125
March .. ..	4,155	5,50,17	1 6.125	4,882	6,46,44	1 6.125
<b>Total</b> .. ..	<b>53,532</b>	<b>70,86,97</b>	<b>1 6.127</b>	<b>25,140</b>	<b>33,28,87</b>	<b>1 6.125</b>

## STATEMENT XI.

### GOVERNMENT BUDGETS.

(Reference paragraphs 21 to 23.)

(in lakhs of rupees.)

	Accounts 1936-37.			Revised Estimates 1937-38.			Budget Estimates 1938-39.		
	Revenue.	Expen- diture.	Surplus + Deficit —	Revenue.	Expen- diture.	Surplus + Deficit —	Revenue.	Expen- diture.	Surplus + Deficit —
India .. ..	1,19,21	1,21,00	— 1,79	1,22,57	1,22,57	Nil.	1,22,28	1,22,18	+ 10
Madras .. ..	15,58	15,77	— 19	16,13	16,10	+ 3	15,98	15,98	Nil.
Bombay .. ..	12,39	11,99	+ 40	12,31	12,20	+ 11	12,09	12,50	— 41
Bengal .. ..	12,14	11,74	+ 40	13,42	12,06	+ 1,36	13,13	13,24	— 11
United Provinces ..	11,92	12,29	— 37	12,39	12,46	— 7	13,01	13,16	— 15
Punjab .. ..	11,27	10,84	+ 43	11,53	11,47	+ 6	11,41	11,36	+ 5
Bihar .. ..	4,58	4,76	— 18	5,06	5,04	+ 2	4,98	4,94	+ 4
Central Provinces ..	4,71	4,81	— 10	4,67	4,75	— 8	4,82	4,81	+ 1
Assam .. ..	2,54	2,92	— 38	2,78	2,81	— 3	2,64	2,69	— 5
North-West Frontier Province .. ..	1,75	1,79	— 4	1,81	1,82	— 1	1,80	1,87	— 7
Orissa .. ..	1,70	1,56	+ 14	1,91	1,86	+ 5	1,92	1,95	— 3
Sind .. ..	4,00	3,60	+ 40	3,67	3,48	+ 19	3,61	3,59	+ 2
Burma .. ..	9,29	8,99	+ 30	15,00	14,94	+ 6	15,81	15,42	+ 39



**STATEMENT XII**  
**GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS.**  
*(Reference paragraphs 26 and 27.)*

(in thousands of rupees)

			Amount offered for tender.	Amount tendered.	Amount sold.	Average rate of accepted tenders.	Amount outstanding with the public.*	Total amount outstanding including amount sold in favour of Issue Department.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April	2 1937	..	1,00,00	1,11,50	1,00,00	99/12/0	14,99,75	27,55,25
"	9	..	1,00,00	1,06,00	1,00,00	99/11/9	14,01,25	26,06,75
"	16	..	1,00,00	1,22,25	1,00,00	99/11/6	13,00,25	30,06,75
"	23	..	1,00,00	1,76,00	1,00,00	99/11/7	13,00,00	30,06,50
"	30	..	1,00,00	1,35,25	1,00,00	99/12/0	13,02,50	30,96,25
May	7	..	1,00,00	1,25,50	99,50	99/12/0	13,01,00	30,94,75
"	14	..	1,00,00	1,30,25	1,00,00	99/12/0	13,07,25	31,01,00
"	21	..	1,00,00	1,63,50	99,75	99/12/1	12,99,50	30,93,25
"	28	..	1,00,00	1,51,00	1,00,00	99/12/1	12,99,50	31,41,25
June	4	..	1,00,00	1,83,25	1,00,00	99/12/0	12,99,25	30,28,00
"	11	..	1,00,00	1,26,00	1,00,00	99/12/0	13,99,50	32,41,25
"	18	..	1,00,00	1,63,25	1,00,00	99/12/1	13,99,50	32,91,25
"	25	..	1,00,00	1,56,75	1,00,00	99/12/0	12,99,50	31,56,25
July	2	..	1,00,00	1,71,50	1,00,00	99/12/3	12,99,50	31,66,25
"	9	..	1,00,00	1,26,25	1,00,00	99/12/3	12,99,75	32,41,50
"	16	..	1,00,00	2,06,75	1,00,00	99/12/4	13,00,00	33,01,75
"	23	..	1,00,00	2,93,25	1,00,00	99/12/6	12,99,50	32,96,25
"	30	..	1,00,00	2,69,50	1,00,00	99/13/0	12,99,75	33,16,50
August	6	..	1,00,00	2,73,00	1,00,00	99/13/6	13,99,50	34,16,25
"	13	..	1,00,00	2,45,75	1,00,00	99/13/9	14,00,00	34,16,75
"	20	..	1,00,00	1,95,75	1,00,00	99/14/3	13,07,00	33,43,75
"	27	..	2,00,00	2,88,50	2,00,00	99/14/1	15,00,50	35,19,25
September	3	..	2,00,00	2,38,75	2,00,00	99/14/0	16,00,50	36,19,25
"	10	..	2,00,00	2,38,00	2,00,00	99/13/9	16,18,25	35,71,00
"	17	..	2,00,00	2,74,00	2,00,00	99/13/4	18,00,25	37,53,00
"	24	..	2,00,00	2,84,50	2,00,00	99/13/3	19,00,25	37,57,75
October	1	..	2,00,00	2,99,00	2,00,00	99/13/3	20,01,00	38,48,50
"	8	..	2,00,00	2,69,00	2,00,00	99/13/3	21,01,25	39,48,75
"	15	..	2,00,00	2,07,50	2,00,00	99/13/3	20,05,25	36,53,00
"	22	..	1,00,00	1,00,00	1,00,00	99/13/0	22,00,25	39,73,00
"	29	..	1,00,00	1,81,25	1,00,00	99/12/8	22,00,50	39,78,25
November	5	..	1,00,00	1,81,75	1,00,00	99/12/4	22,00,25	39,54,75
"	12	..	1,00,00	2,52,00	1,00,00	99/12/4	22,00,25	40,24,75
"	19	..	1,00,00	2,85,25	1,00,00	99/12/9	22,02,25	40,26,75
"	26	..	2,00,00	3,69,50	2,00,00	99/12/9	22,92,75	40,99,25
December	3	..	2,00,00	2,78,50	2,00,00	99/12/9	21,07,50	38,83,00
"	10	..	2,00,00	2,46,50	2,00,00	99/12/9	21,08,00	39,08,50
"	17	..	2,00,00	2,26,00	2,00,00	99/11/10	21,13,00	38,99,25
"	24	..	2,00,00	2,97,25	2,00,00	99/11/8	21,04,25	39,14,75
"	31	..	2,00,00	2,60,25	2,00,00	99/11/0	21,06,00	39,16,50
January	7 1938	..	2,00,00	3,57,50	2,00,00	99/11/1	23,05,50	41,41,00
"	14	..	2,00,00	3,89,25	2,00,00	99/10/10	23,05,50	41,42,00
"	21	..	2,00,00	4,13,25	2,00,00	99/10/11	23,06,75	41,87,25
"	28	..	2,00,00	4,57,75	2,00,00	99/10/11	24,06,75	42,87,25
February	4	..	2,00,00	3,67,00	2,00,00	99/10/8	25,08,25	44,92,75
"	11	..	1,50,00	2,32,50	1,50,00	99/10/3	24,57,00	43,29,00
"	18	..	1,50,00	2,44,25	1,50,00	99/10/0	24,07,00	42,40,50
"	25	..	1,00,00	2,20,75	1,00,00	99/10/4	24,07,00	41,87,50
March	4	..	1,00,00	1,98,25	1,00,00	99/10/3	19,64,25	37,25,75
"	11	..	1,00,00	1,72,75	1,00,00	99/9/11	19,79,50	37,21,00
"	18	..	1,00,00	1,35,75	1,00,00	99/9/7	19,51,25	37,16,25
"	25	..	1,00,00	1,97,25	1,00,00	99/9/7	19,74,75	37,31,75
"	31	..	....	....	....	....	18,11,50	38,00,50

\* The amounts shown in this column do not necessarily correspond with the sales and maturities since bills discounted with the Reserve Bank are sometimes retired by the Government of India before maturity.

## STATEMENT XIII.

(Reference paragraph 29.)

### POST OFFICE CASH CERTIFICATES.

			(in lakhs of rupees.)			
			Receipts.	Repayments.	Net receipts.	Total amount outstanding.
1917-18	..	..	10,00	1,12	8,88	8,88
1918-19	}	..	4,03	7,16	— 3,13	5,75
1919-20		..				
1920-21	}	..	1,00	2,41	— 1,41	4,34
1921-22		..				
1922-23	}	..	7,61	3,53	4,08	8,42
1923-24		..				
1924-25	}	..	15,05	3,10	12,55	20,97
1925-26		..				
1926-27	}	..	13,61	3,88	9,73	30,70
1927-28		..				
1928-29	..	..	4,91	3,31	1,60	32,30
1929-30	..	..	7,15	4,45	2,70	35,00
1930-31	..	..	11,78	8,35	3,43	38,43
1931-32	..	..	14,49	8,34	6,15	44,58
1932-33	..	..	15,74	4,68	11,06	55,64
1933-34	..	..	13,31	5,24	8,07	63,71
1934-35	..	..	9,95	7,70	2,25	65,96
1935-36	..	..	13,45	13,43	2	65,98
1936-37	..	..	14,88	16,46	— 1,58	64,40
			India.    Burma.	India.    Burma.	India.    Burma.	India.    Burma.
1937-38	..	..	13,97    35	18,16    3	—4,19    32	60,21    32

### POST OFFICE SAVINGS BANK.

			(in lakhs of rupees.)					
			Deposits.	Withdrawals.	Interest.	Net increase.	Amount outstanding at the end of the year.	
1	2	3	4	5	6			
1913-14	..	..	10,99	9,04	61	2,56	23,16	
1914-15	..	..	9,07	17,88	53	— 8,28	14,89	
1915-16	..	..	7,73	7,73	43	43	15,32	
1916-17	..	..	8,93	8,10	45	1,28	16,59	
1917-18	..	..	9,72	10,17	44	— 1	16,58	
1918-19	..	..	12,99	11,21	40	2,24	18,82	
1919-20	..	..	17,18	15,22	56	2,52	21,34	
1920-21	..	..	18,22	17,33	62	1,51	22,86	
1921-22	..	..	17,11	19,32	61	— 60	22,26	
1922-23	..	..	17,07	16,75	62	94	23,19	
1923-24	..	..	17,71	16,79	67	1,59	24,78	
1924-25	..	..	17,44	17,64	71	51	25,63	
1925-26	..	..	19,05	18,19	73	1,59	27,23	
1926-27	..	..	20,38	18,89	79	2,28	29,50	
1927-28	..	..	23,14	20,84	86	3,16	32,66	
1928-29	..	..	25,24	25,39	97	1,82	34,49	
1929-30	..	..	26,25	24,63	1,02	2,64	37,13	
1930-31	..	..	24,36	25,50	1,04	10	37,02	
1931-32	..	..	27,39	27,29	1,08	1,18	38,20	
1932-33	..	..	30,96	26,86	1,15	5,25	43,45	
1933-34	..	..	36,87	29,37	1,28	8,78	52,23	
1934-35	..	..	38,67	37,26	1,34	2,75	58,30	
1935-36	..	..	46,33	38,88	1,50	8,95	67,25	
1936-37	..	..	43,38	37,40	1,45	7,43	74,68	
			India.    Burma.	India.    Burma.	India.    Burma.	India.    Burma.	India.    Burma.	
1937-38	..	..	43,27    1,44	39,76    1,29	1,46    4	4,97    19	79,65    19	

## STATEMENT XIV.

### REPRESENTATIVE RUPEE SECURITIES OF THE GOVERNMENT OF INDIA.

Prices since 1914.

(Reference paragraph 34.)

	5 per cent. rupee loan 1945-55 (free of income-tax.)		4 per cent. rupee loan 1960-70.		3½ per cent. rupee loan 1947-50.		3½ per cent. rupee loan (non-terminable.)	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1914-15 .. .. .	..	..	..	..	..	..	96 <sup>1</sup> / <sub>16</sub>	91 <sup>1</sup> / <sub>2</sub>
1920-21 .. .. .	96	78 <sup>1</sup> / <sub>2</sub>	..	..	..	..	60	52
1925-26 .. .. .	104 <sup>1</sup> / <sub>2</sub>	98 <sup>1</sup> / <sub>16</sub>	..	..	..	..	74 <sup>1</sup> / <sub>2</sub>	67 <sup>1</sup> / <sub>16</sub>
1926-27 .. .. .	110 <sup>1</sup> / <sub>2</sub>	104 <sup>1</sup> / <sub>16</sub>	90 <sup>1</sup> / <sub>16</sub>	86 <sup>1</sup> / <sub>16</sub>	..	..	79 <sup>1</sup> / <sub>16</sub>	74 <sup>1</sup> / <sub>16</sub>
1927-28 .. .. .	108 <sup>1</sup> / <sub>16</sub>	105 <sup>1</sup> / <sub>16</sub>	90	87 <sup>1</sup> / <sub>16</sub>	..	..	79 <sup>1</sup> / <sub>16</sub>	74 <sup>1</sup> / <sub>16</sub>
1928-29 .. .. .	106 <sup>1</sup> / <sub>16</sub>	102 <sup>1</sup> / <sub>16</sub>	88 <sup>1</sup> / <sub>2</sub>	83 <sup>1</sup> / <sub>2</sub>	..	..	75 <sup>1</sup> / <sub>2</sub>	71
1929-30 .. .. .	103 <sup>1</sup> / <sub>2</sub>	100	84 <sup>1</sup> / <sub>2</sub>	75 <sup>1</sup> / <sub>2</sub>	..	..	72 <sup>1</sup> / <sub>16</sub>	63 <sup>1</sup> / <sub>16</sub>
1930-31 .. .. .	101 <sup>1</sup> / <sub>16</sub>	99 <sup>1</sup> / <sub>2</sub>	77 <sup>1</sup> / <sub>2</sub>	73	..	..	68 <sup>1</sup> / <sub>2</sub>	61 <sup>1</sup> / <sub>16</sub>
1931-32 .. .. .	101 <sup>1</sup> / <sub>16</sub>	88 <sup>1</sup> / <sub>2</sub>	75 <sup>1</sup> / <sub>2</sub>	58 <sup>1</sup> / <sub>2</sub>	..	..	63 <sup>1</sup> / <sub>2</sub>	51
1932-33 .. .. .	113 <sup>1</sup> / <sub>16</sub>	98 <sup>1</sup> / <sub>2</sub>	100 <sup>1</sup> / <sub>16</sub>	67 <sup>1</sup> / <sub>2</sub>	..	..	88 <sup>1</sup> / <sub>16</sub>	60 <sup>1</sup> / <sub>2</sub>
1933-34 .. .. .	115 <sup>1</sup> / <sub>16</sub>	109	103 <sup>1</sup> / <sub>2</sub>	90 <sup>1</sup> / <sub>2</sub>	97 <sup>1</sup> / <sub>2</sub>	90	88 <sup>1</sup> / <sub>2</sub>	79 <sup>1</sup> / <sub>2</sub>
1934-35 .. .. .	119 <sup>1</sup> / <sub>16</sub>	114 <sup>1</sup> / <sub>2</sub>	111 <sup>1</sup> / <sub>16</sub>	101 <sup>1</sup> / <sub>2</sub>	102 <sup>1</sup> / <sub>16</sub>	97 <sup>1</sup> / <sub>16</sub>	98 <sup>1</sup> / <sub>2</sub>	87 <sup>1</sup> / <sub>2</sub>
1935-36 .. .. .	120 <sup>1</sup> / <sub>2</sub>	114 <sup>1</sup> / <sub>2</sub>	113 <sup>1</sup> / <sub>2</sub>	103	107 <sup>1</sup> / <sub>2</sub>	100 <sup>1</sup> / <sub>16</sub>	99 <sup>1</sup> / <sub>2</sub>	87 <sup>1</sup> / <sub>16</sub>
1936-37 .. .. .	121 <sup>1</sup> / <sub>16</sub>	117 <sup>1</sup> / <sub>2</sub>	116 <sup>1</sup> / <sub>16</sub>	109 <sup>1</sup> / <sub>2</sub>	108 <sup>1</sup> / <sub>2</sub>	103 <sup>1</sup> / <sub>2</sub>	100 <sup>1</sup> / <sub>16</sub>	91 <sup>1</sup> / <sub>2</sub>
1937-38 .. .. .	120 <sup>1</sup> / <sub>2</sub>	118	114 <sup>1</sup> / <sub>16</sub>	110 <sup>1</sup> / <sub>2</sub>	107 <sup>1</sup> / <sub>2</sub>	105	99 <sup>1</sup> / <sub>2</sub>	92 <sup>1</sup> / <sub>16</sub>

## STATEMENT XV.

### REPRESENTATIVE SECURITIES OF THE GOVERNMENT OF INDIA.

Prices during 1937-38.

(Reference paragraph 34.)

		5 per cent. rupee loan 1945-55 (free of income-tax).		4 per cent. rupee loan 1960-70.		3½ per cent. rupee loan 1947-50.		3½ per cent. rupee loan (non-terminable).		3½ per cent. sterling loan (non-terminable).	
		Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	£.	£.
April	1937..	120½	118½	110½	110½	106½	105	95½	92½	90	88½
May	.. ..	119½	119 7/16	110 11/16	110½	106 1/16	105½	96½	94½	91½	89½
June	.. ..	119 7/16	119½	110½	110½	105 11/16	105 1/16	95½	94 11/16	91½	89½
July	.. ..	120	119 7/16	111½	110½	106½	105 7/16	96½	94½	91½	89½
August	.. ..	120½	119 11/16	113½	111½	107½	106½	98 7/16	96 11/16	92½	91½
September	.. ..	120½	120 1/16	113½	112 11/16	106 11/16	106½	97½	96 11/16	92½	91½
October	.. ..	120½	120½	113 11/16	113½	106½	106½	98½	97 7/16	93½	92½
November	.. ..	120½	120½	114	113½	106 11/16	106½	98½	98½	94½	92½
December	.. ..	120½	120½	113 11/16	113 11/16	106½	106½	98 11/16	97½	94½	93
January	1938..	120½	120	114½	113½	106½	106½	98 11/16	98½	93½	93½
February	.. ..	119½	119	114 7/16	113½	106½	106½	99½	97½	93½	92½
March	.. ..	119½	118	114½	113½	106 1/16	105½	98½	96½	93	89

## STATEMENT XVI.

### SCHEDULED BANKS' CONSOLIDATED POSITION.

(Reference paragraph 36.)

(in lakhs of rupees.)

	Liabilities.	Cash and balances with Reserve Bank.	Cash and balances with Reserve Bank as percentage of demand and time liabilities.	Advances in India and Burma.	Bills discounted in India and Burma.	Advances and discounts as percentage of demand and time liabilities.
Average for 9 months July 1935 to March 1936 .. .. .	217,72	37,79	17.36	87,85	3,59	42.00
Average for 1936-37 .. .. .	220,07	32,27	14.03	95,27	4,73	43.48
1937-38 (Average of Friday figures)—						
April .. .. .	241,19	31,10	12.93	122,56	8,15	54.19
May .. .. .	241,00	32,24	13.33	122,70	7,55	53.85
June .. .. .	241,75	32,85	13.59	119,08	6,82	52.08
July .. .. .	242,30	39,21	16.18	113,19	5,82	49.12
August .. .. .	244,02	42,34	17.35	108,72	5,13	46.66
September .. .. .	243,13	35,72	14.69	106,89	4,90	45.98
October .. .. .	243,74	31,60	12.96	106,97	4,66	45.80
November .. .. .	244,65	32,60	13.33	105,56	5,55	45.42
December .. .. .	241,81	31,24	12.91	105,21	6,03	46.01
January .. .. .	241,02	23,59	9.79	111,22	6,53	48.85
February .. .. .	238,47	19,77	8.29	116,72	6,83	51.81
March .. .. .	237,80	20,50	8.62	122,15	7,17	54.38
Average for 1937-38 .. .. .	241,81	31,07	12.85	113,41	6,26	49.40

**STATEMENT XVII.**  
**CLEARING HOUSE STATISTICS.**  
*(Reference paragraph 37.)*

(in lakhs of rupees.)

	Calcutta.	Bombay.	Madras.	Karachi.	Rangoon.	Cawnpore.	Lahore.	Delhi.	TOTAL.
1918-19 ..	7,41,13	5,69,46	25,45	22,30	73,85	..	..	..	14,32,19
1919-20 ..	10,55,76	8,83,02	33,95	23,13	94,74	..	..	..	20,90,50
1920-21 ..	14,39,93	13,15,93	75,79	33,42	1,04,84	6,63	..	..	29,76,54
1921-22 ..	9,05,01	9,06,73	39,54	36,73	1,22,02	9,01	5,86	..	20,24,90
1922-23 ..	9,80,26	8,58,73	45,13	33,58	1,25,96	7,93	8,49	..	20,60,08
1923-24 ..	8,53,05	7,07,08	55,41	41,52	1,32,82	6,38	5,85	..	18,03,01
1924-25 ..	9,54,11	6,21,66	55,96	46,13	1,17,21	5 72	5,57	..	18,06,36
1925-26 ..	10,12,19	4,45,05	56,80	36,14	1,25,33	6,16	6,86	..	16,88,53
1926-27 ..	9,61,01	4,22,68	54,53	31,07	1,24,42	8,16	7,70	..	16,09,57
1927-28 ..	10,54,02	3,80,80	59,79	30,82	1,25,57	7,00	7,59	..	16,74,59
1928-29 ..	10,94,00	6,62,35	63,73	28,02	1,25,00	7,31	8,69	..	19,81,10
1929-30 ..	9,60,97	7,93,66	82,19	26,49	1,20,70	7,56	8,17	..	19,99,74
1930-31 ..	8,66,28	6,66,61	50,36	24,47	1,06,55	5,71	10,67	..	17,30,65
1931-32 ..	7,31,09	6,23,82	43,97	23,23	78,90	6,63	9,02	..	15,15,66
1932-33 ..	7,90,37	6,67,42	48,85	25,56	70,75	7,08	8,50	..	16,18,53
1933-34 ..	8,30,88	6,55,47	53,19	26,78	56,12	8,88	9,88	..	16,41,20
1934-35 ..	8,75,69	6,89,17	56,22	28,96	61,03	11,51	10,43	..	17,33,01
1935-36 ..	9,18,68	7,16,74	69,23	30,12	72,00	11,69	11,16	13,73	18,43,35
1936-37 ..	9,23,68	7,62,38	91,39	31,94	83,75	11,51	11,40	15,61	19,31,66
1937-38 ..	9,66,93	8,15,56	1,09,64	35,53	82,07	11,91	11,21	18,27	20,51,12

## STATEMENT XVIII.

### (A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA.

Telegraphic transfers issued and paid.\*

(Reference paragraph 38.)

(in lakhs of rupees.)

	1935.		1936.		1937.					
	July to December.	January to June.	July to December.	January to June.	July to December.	January to June.				
	Issued.	Paid.	Issued.	Paid.	Issued.	Paid.				
Bombay .. .. .	41,01	36,55	37,83	51,14	39,95	28,51	38,78	45,19	37,15	31,25
Calcutta .. .. .	41,21	46,58	61,90	40,33	36,90	43,79	65,07	47,77	28,57	44,30
Cawnpore .. .. .	3,85	1,58	2,26	2,43	2,80	2,07	3,05	5,08	3,81	4,8
Delhi .. .. .	4,46	2,77	4,82	2,04	5,83	2,72	6,59	2,80	5,98	3,22
Karachi .. .. .	3,28	4,47	7,86	6,51	6,19	6,03	11,37	8,82	4,31	5,42
Lahore .. .. .	2,60	2,87	2,82	4,86	3,28	2,71	6,03	7,84	7,52	3,75
Madras .. .. .	6,30	4,26	6,65	8,02	8,10	9,48	12,47	9,65	0,66	6,90
Rangoon .. .. .	3,01	6,67	3,66	12,40	4,91	7,80	5,50	11,20	4,23	6,45
<b>Total ..</b>	<b>1,05,72</b>	<b>1,05,75</b>	<b>1,27,80</b>	<b>1,27,73</b>	<b>1,07,96</b>	<b>1,02,91</b>	<b>1,48,86</b>	<b>1,38,44</b>	<b>1,01,23</b>	<b>1,01,77</b>

### (B) REMITTANCES THROUGH THE IMPERIAL BANK OF INDIA.

	1933.		1934.		1935.		1936.		1937.	
	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.	Jan. to June.	July to Dec.
<b>DEMAND DRAFTS PURCHASED.</b>										
Bengal Circle .. .. .	19,08	16,59	21,67	19,71	23,74	18,39	24,37	23,17	29,24	23,80
Bombay .. .. .	19,18	10,87	15,50	10,61	16,46	12,14	17,02	15,44	19,31	12,24
Madras .. .. .	9,14	5,96	8,84	6,49	8,62	6,77	8,22	9,51	10,84	7,72
<b>Total ..</b>	<b>47,40</b>	<b>33,42</b>	<b>46,01</b>	<b>36,81</b>	<b>48,82</b>	<b>37,30</b>	<b>49,61</b>	<b>48,12</b>	<b>59,39</b>	<b>43,76</b>
<b>DRAFTS AND TELEGRAPHIC TRANSFERS PAID.</b>										
Bengal Circle .. .. .	30,58	29,09	33,23	28,54	35,60	27,31	30,81	28,01	35,67	33,27
Bombay .. .. .	29,41	22,49	26,87	25,49	28,61	23,95	26,11	23,51	31,03	29,89
Madras .. .. .	13,54	11,57	15,70	17,79	16,55	11,57	14,18	13,96	18,12	16,87
<b>Total ..</b>	<b>73,53</b>	<b>63,15</b>	<b>75,80</b>	<b>71,82</b>	<b>80,76</b>	<b>62,83</b>	<b>71,10</b>	<b>65,48</b>	<b>84,82</b>	<b>80,03</b>

\* Including remittances on account of the Imperial Bank of India.

### STATEMENT XIX.

TRANSFERS OF FUNDS THROUGH GOVERNMENT AGENCY WITHIN EACH PROVINCE OF INDIA AND IN BURMA DURING THE YEAR 1937-38.

(Reference paragraph 38.)

(in lakhs of rupees.)

	Bengal (including certain centrally adminis- tered areas.)	Madras & Coorg.	Bombay.	United Provinces.	Punjab.	Bihar.	Central Provinces.	Assam.	North- West Frontier Province.	Orissa.	Sind.	Total for India.	Burma.
Sale of supply bills and transfers to the public .. ..	1,91	15	92	17	7	1	4	2	2	..	29	3,60	3,03
Transfers to headquarters by bank post-bills .. ..	61	..	..	..	..	1	..	2	..	..	..	64	..
Total ..	2,52	15	92	17	7	2	4	4	2	..	29	4,24	3,03

### STATEMENT XX.

TRANSFERS OF FUNDS THROUGH GOVERNMENT AGENCY BETWEEN DIFFERENT PROVINCES AND BETWEEN PROVINCES AND BURMA.

(Reference paragraph 38.)

(in thousands of rupees.)

PAID BY	Bengal (including certain centrally adminis- tered areas.)	ON ACCOUNT OF											Total.
		Madras and Coorg.	Bombay.	United Pro- vinces.	Punjab.	Bihar.	Central Pro- vinces.	Assam.	North- West Frontier Province.	Orissa.	Sind.	Burma.	
Bengal, etc. .. ..	..	..	22	8,39	13	14,30	1,63	32,82	1,96	5,69	..	50	65,54
Madras and Coorg .. ..	53	..	1,34	..	..	..	..	..	..	..	..	..	1,87
Bombay .. ..	15,32	..	..	10,67	4,10	7,24	7,70	6	19,03	6	..	..	64,18
United Provinces .. ..	2,02	..	17	..	50	4,19	..	..	..	..	20	2	7,10
Punjab .. ..	49	..	2,50	1,80	..	..	..	..	19,96	..	..	4	24,79
Bihar .. ..	14,13	..	..	20	..	..	7	..	..	17	..	..	14,66
Central Provinces .. ..	10,21	1,35	69,23	..	..	..	..	..	..	..	..	..	80,79
Assam .. ..	97,62	..	4,15	..	..	..	..	..	..	..	..	..	1,01,77
North-West Frontier Province .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..
Orissa .. ..	1,40	..	..	..	..	18	..	..	..	..	..	..	1,58
Sind .. ..	8,73	..	..	..	9,76	..	..	57	33,53	..	..	1	62,60
Burma .. ..	60	..	..	..	..	..	..	..	..	..	..	..	60
Total ..	1,51,05	1,35	77,61	21,15	14,49	23,91	9,40	33,45	74,48	5,82	20	57	4,15,48



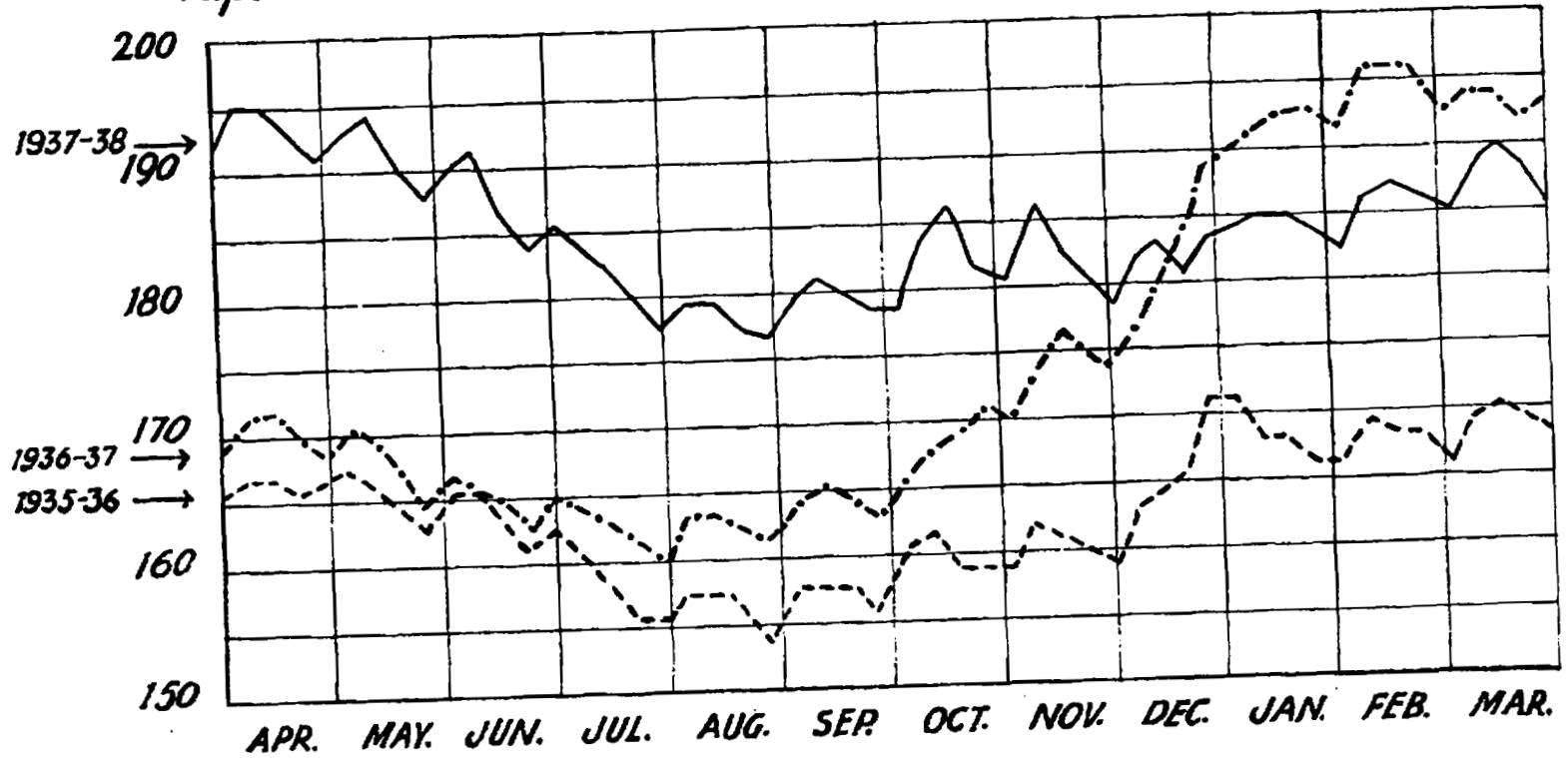
**STATEMENT XXI.**  
**NOTE CIRCULATION.**  
*(Reference paragraph 40.)*

(in lakhs of rupees.)

	Circulation at the end of each year.		Average Circulation.		Increase or decrease in average active circulation.
	Total notes issued.	Active.	Total notes issued.	Active.	
1889-90	....	15,77	....	16,15	....
1899-1900	28,74	22,10	27,96	21,27	+ 2,18
1909-10	54,41	39,99	49,66	37,21	+ 9,10
1913-14	66,12	49,97	65,55	46,63	+ 9,42
1918-19	1,53,46	1,33,58	1,33,20	1,13,84	+ 67,21
1919-20	1,74,52	1,53,78	1,71,68	1,51,10	+ 37,26
1920-21	1,66,16	1,47,88	1,63,51	1,38,88	- 12,22
1921-22	1,74,76	1,57,23	1,73,80	1,52,22	+ 13,34
1922-23	1,74,70	1,61,10	1,76,33	1,53,27	+ 1,05
1923-24	1,85,85	1,69,06	1,79,01	1,56,93	+ 3,66
1924-25	1,84,19	1,66,55	1,79,27	1,60,91	+ 3,98
1925-26	1,93,34	1,67,71	1,86,88	1,63,16	+ 2,25
1926-27	1,84,13	1,64,31	1,89,13	1,56,36	- 6,80
1927-28	1,84,87	1,74,53	1,80,16	1,63,62	+ 7,26
1928-29	1,88,03	1,78,10	1,84,86	1,71,90	+ 8,28
1929-30	1,77,23	1,59,30	1,83,11	1,63,00	- 8,90
1930-31	1,60,84	1,47,93	1,65,49	1,51,13	- 11,87
1931-32	1,78,14	1,65,17	1,63,64	1,52,62	+ 1,49
1932-33	1,76,90	1,50,34	1,73,83	1,52,04	- 58
1933-34	1,77,22	1,63,88	1,78,13	1,57,47	+ 5,43
1934-35	1,86,10	1,63,56	1,83,24	1,61,60	+ 4,13
1935-36	1,95,58	1,68,82	1,92,17	1,62,98	+ 1,38
1936-37	2,08,00	1,94,35	2,02,00	1,75,38	+ 12,40
1937-38	2,14,03	1,86,12	2,12,29	1,83,96	+ 8,58

# ACTIVE NOTE CIRCULATION.

Crores of rupees



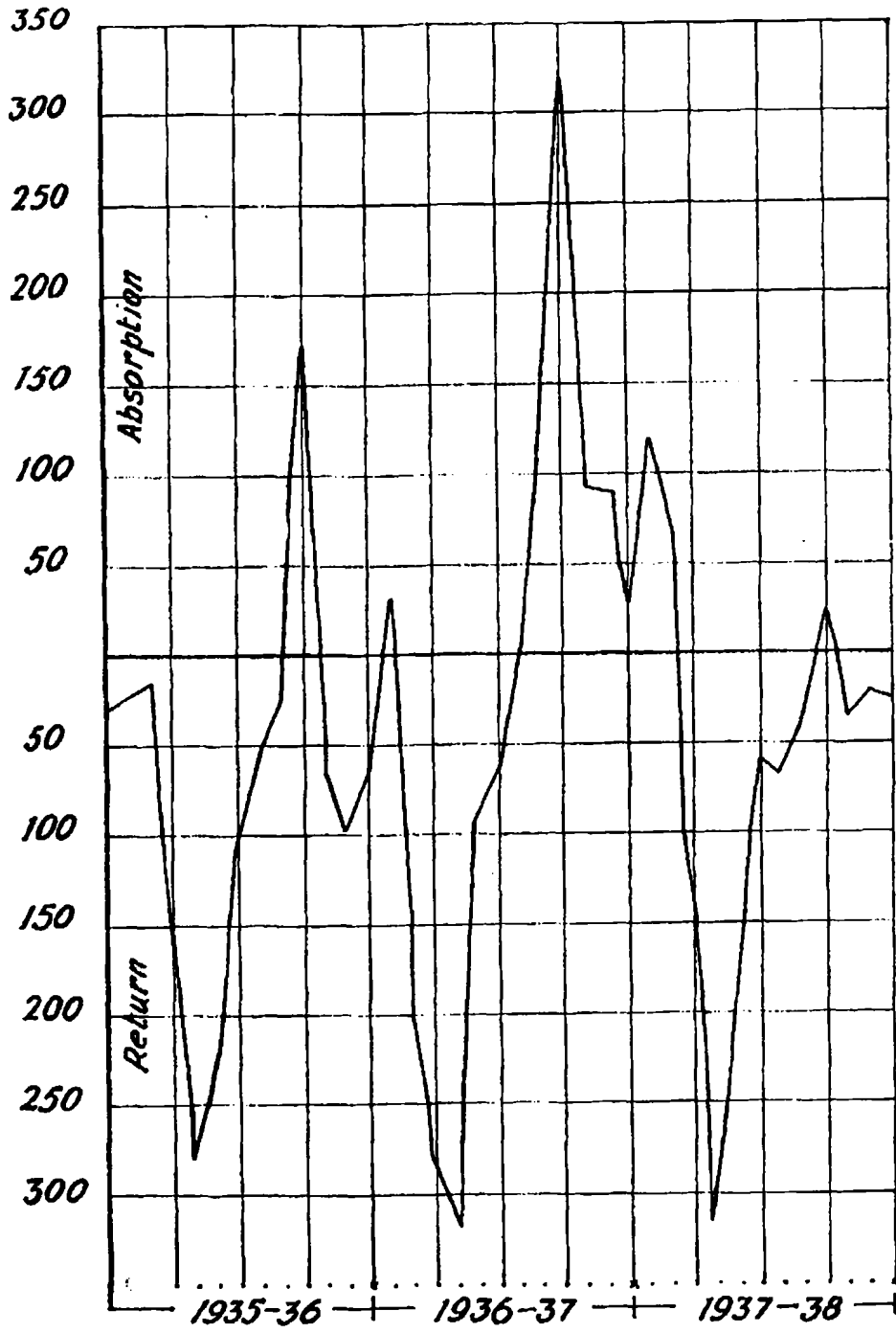
**STATEMENT XXII.**  
**ABSORPTION OF RUPEES & CURRENCY NOTES.**  
*(Reference paragraph 40.)*

(in lakhs of rupees.)

	Rupees.	Notes.	Total.
Average for 5 years 1914-15 to 1918-19 .. ..	22,08	16,72	38,80
1919-20 .. .. .	20,09	20,20	40,29
1920-21 .. .. .	— 25,68	— 5,90	— 31,58
1921-22 .. .. .	— 10,46	9,35	— 1,11
1922-23 .. .. .	— 9,56	3,87	— 5,69
1923-24 .. .. .	7,62	7,96	15,58
1924-25 .. .. .	3,65	— 2,51	1,14
1925-26 .. .. .	— 8,17	1,16	— 7,01
1926-27 .. .. .	— 19,76	— 3,40	— 23,16
1927-28 .. .. .	— 3,75	10,22	6,47
1928-29 .. .. .	— 3,03	3,57	54
1929-30 .. .. .	— 21,71	— 18,80	— 40,51
1930-31 .. .. .	— 21,58	— 11,37	— 32,95
1931-32 .. .. .	3,93	17,24	21,17
1932-33 .. .. .	— 7,56	— 14,83	— 22,39
1933-34 .. .. .	— 30	13,54	13,24
1934-35 .. .. .	— 3,21	— 32	— 3,53
1935-36 .. .. .	— 9,46	+ 1,82	— 7,64
1936-37 .. .. .	— 2,49	+ 25,53	+ 23,04
1937-38 .. .. .	— 6,52	— 8,23	— 14,75
Total for 19 years 1919-20 to 1937-38 .. ..	— 11,17,95	+ 49,10	— 68,85
Average for 19 years 1919-20 to 1937-38 .. ..	— 6,21	+ 2,59	— 3,62

Lakhs of  
rupees

### ABSORPTION OF RUPEES



## STATEMENT XXIII.

### ABSORPTION OF SMALL COIN.

(Reference paragraph 40.)

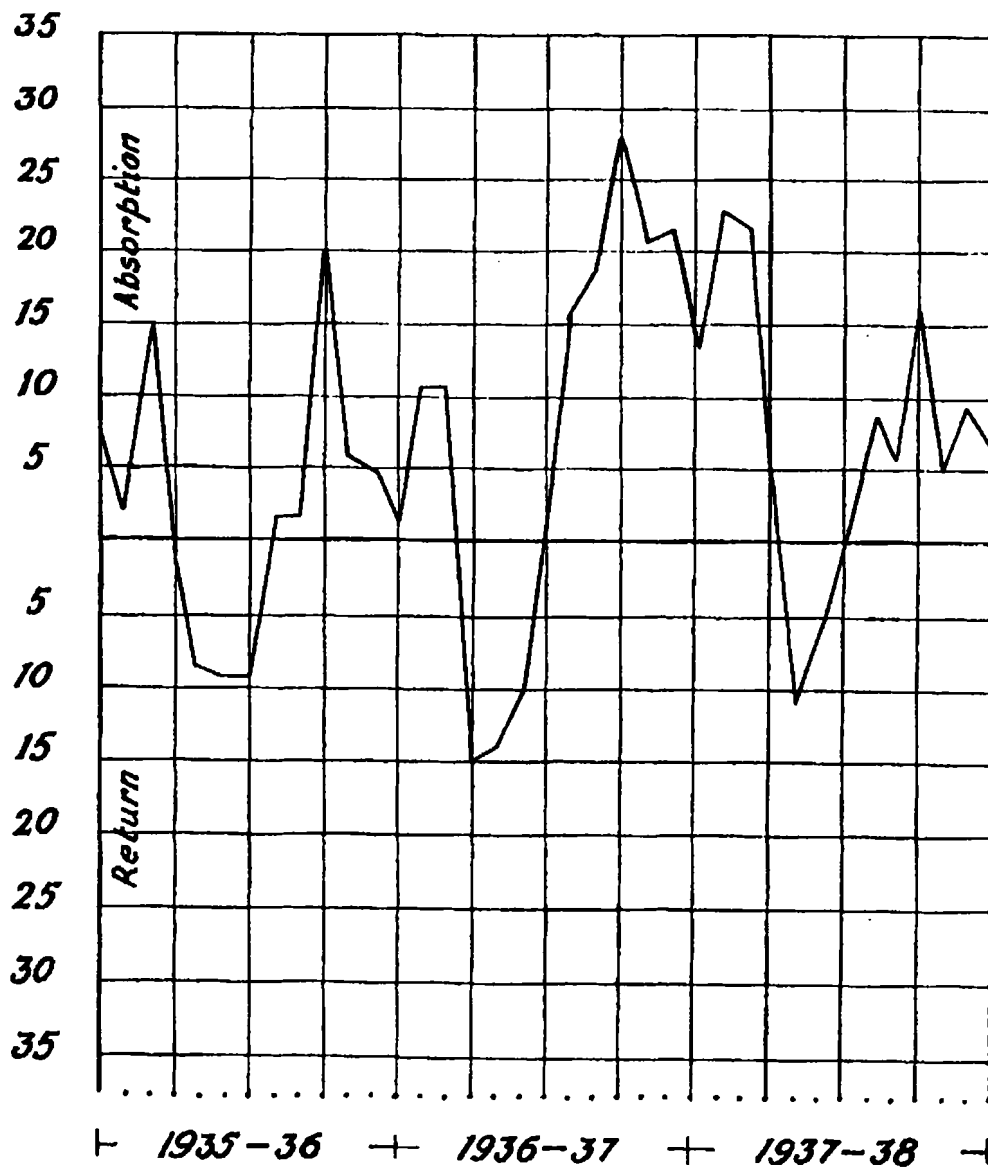
(in thousands of rupees.)

	Silver half rupees.*	Four anna pieces.	Two anna pieces.	One anna pieces.	Single piece.	TOTAL.
Average for the 5 years 1909-10 to 1913-14 .. .. .	.....	15,75	13,59	21,02	10,51	60,87
Average for the 5 years 1911-15 to 1918-19 .. .. .	.....	37,24	29,54	27,86	5,63	1,00,27
1919-20 .. .. .	.....	88,15	60,33	44,05	21,18	2,13,71
1920-21 .. .. .	.....	— 9,31	— 23,21	— 12,82	— 2,22	— 47,59
1921-22 .. .. .	.....	— 7,09	— 2,40	3,28	52	— 5,69
1922-23 .. .. .	.....	3,67	1,70	12,99	2,89	21,25
1923-24 .. .. .	.....	6,20	3,99	19,88	2,42	32,49
1924-25 .. .. .	.....	15,87	4,90	21,86	5,31	47,94
1925-26 .. .. .	.....	3,34	5,49	11,22	2,23	22,28
1926-27 .. .. .	.....	51	— 6,10	11,62	4,05	10,08
1927-28 .. .. .	.....	7,03	4,62	22,02	5,05	38,72
1928-29 .. .. .	.....	8,89	6,57	22,12	5,04	42,62
1929-30 .. .. .	.....	— 2,05	— 1,88	10,36	5,77	12,20
1930-31 .. .. .	.....	— 31,70	— 18,88	— 14,33	— 1,30	— 66,21
1931-32 .. .. .	.....	7,16	3,73	8,52	16	19,57
1932-33 .. .. .	.....	— 6,11	2,13	10,82	1,48	8,32
1933-34 .. .. .	.....	14,01	16,04	23,27	10,28	63,60
1934-35 .. .. .	.....	1,54	12,93	20,35	11,88	46,70
1935-36 .. .. .	— 5,59	— 5,58	7,76	13,06	11,31	20,96
1936-37 .. .. .	22,50	15,97	22,20	25,48	12,92	99,07
1937-38 .. .. .	25,00	10,26	16,08	19,21	14,52	85,07

\*Before the inauguration of the Reserve Bank in 1935 silver half rupees were not included in statistics relating to small coin.

Lakhs of rupees

### ABSORPTION OF SMALL COIN



## STATEMENT XXIV.

### CIRCULATION OF NOTES BY DENOMINATIONS.

(Reference paragraph 42.)

	NOTES IN CIRCULATION (IN LAKHS OF RUPEES).									PERCENTAGE TO GROSS CIRCULATION OF ALL NOTES EXCEPT THOSE OF Rs. 10,000.								
	Re.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Re.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	1	2-8	5	10	20	50	100	500	1,000	1	2-8	5	10	20	50	100	500	1,000
1914 (31st March)..	..	..	1.61	17.73	8	1.78	17.81	2.64	9.17	..	..	3.2	34.9	.2	3.5	35.0	5.2	18.0
1921 ..	0.52	51	14.05	52.67	3	3.84	47.22	2.53	17.81	6.4	.4	9.5	35.5	..	2.6	31.9	1.7	12.0
1922 ..	9.93	27	15.84	57.51	3	4.05	54.28	2.05	14.68	6.2	.2	10.0	36.3	..	2.5	34.2	1.3	9.3
1923 ..	10.88	13	16.27	56.71	2	3.76	50.43	1.74	14.41	6.7	.1	10.0	34.7	..	2.3	36.4	1.0	8.8
1924 ..	11.30	7	15.90	57.18	2	3.12	60.41	1.62	12.87	6.6	..	9.3	33.4	..	1.8	40.5	.9	7.5
1925 ..	4.15	4	15.83	68.57	2	2.61	63.87	1.32	13.11	2.5	..	9.3	40.5	..	1.5	37.7	.8	7.7
1926 ..	72	2	15.66	76.88	2	2.23	60.22	1.19	13.20	.4	..	9.2	45.2	..	1.3	35.4	.7	7.8
1927 ..	44	2	16.49	72.86	2	2.15	60.09	1.10	13.42	.3	..	9.9	43.7	..	1.3	36.1	.7	8.0
1928 ..	39	1	18.91	76.27	2	2.09	63.07	1.05	14.90	.2	..	10.7	43.2	..	1.2	35.7	.6	8.4
1929 ..	36	1	23.77	74.55	2	2.01	65.76	.99	12.69	.2	..	13.2	41.4	..	1.1	36.5	.6	7.0
1930 ..	35	1	20.97	69.08	2	1.60	58.88	.84	10.78	.2	..	12.0	42.6	..	1.0	36.3	.3	6.7
1931 ..	34	1	18.92	64.20	2	1.53	54.86	.77	10.76	.2	..	12.5	42.4	..	1.0	36.3	.5	7.1
1932 ..	34	1	22.31	69.55	2	1.51	63.07	.79	11.67	.2	..	13.2	41.1	..	.9	37.3	.4	6.9
1933 ..	33	1	19.95	61.83	2	1.28	57.65	.68	11.63	.2	..	13.0	40.3	..	.8	37.6	.5	7.6
1934 ..	33	1	21.53	67.41	2	1.33	64.90	.60	11.31	.2	..	12.9	40.2	..	.8	38.8	.4	6.7
1935 ..	32	1	23.11	67.83	2	1.26	60.94	.56	17.72	.2	..	13.5	39.5	..	.7	35.5	.3	10.3
1935 (31st Dec.) ..	32	1	25.28	69.31	1	1.34	62.35	.53	12.84	.2	..	15.0	40.3	..	.7	36.0	.3	7.5
1936 ..	33	1	31.71	77.34	1	1.36	69.07	.48	12.11	.2	..	16.5	40.2	..	.8	35.9	.2	6.2
1937 ..	32	1	32.46	76.08	1	1.25	62.44	.45	11.01	.2	..	17.5	41.3	..	.7	34.0	.2	6.0

## STATEMENT XXV.

### RUPEE CENSUS.

*(Reference paragraph 47.)*

	1910.	1915.	1920.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.	1936.	1937.
William IV. 1835 .. ..	.12	.07	.05	.04	.03	.04	.04	.03	.03	.03	.02	.02	.02	..	.02	.03
Victoria Queen. 1840-76 ..	16.88	13.77	9.63	9.77	9.32	9.56	9.26	6.46	5.36	4.46	4.19	3.82	3.42	3.57	3.22	3.18
Victoria Empress. 1877-1901	46.68	41.35	27.31	29.94	29.32	29.76	29.41	30.32	29.46	29.11	27.93	27.30	21.81	17.56	21.44	17.87
Edward VII. 1903-1911 ..	36.32	33.13	21.22	22.25	22.45	22.09	22.47	23.66	24.56	24.93	25.21	25.73	28.01	29.80	29.11	30.57
George V. 1911-1922 .. ..	..	11.68	41.79	38.00	38.88	38.55	38.82	39.53	40.59	41.47	42.65	43.13	46.73	49.07	46.19	48.35
<b>TOTAL</b> ..	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100



## STATEMENT XXVI.

WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS.

(Reference paragraph 47.)

	Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total coined
	Rs.	Rs.	Rs.	Rs.
William IV, 1835 .. .. .	10,90,88,070	11,73,000	5,37,12,502	16,39,78,572
Victoria, 1840, 1st issue .. .. .	17,99,34,670	2,18,98,181	10,98,38,073	31,16,70,924
.. 1840, 2nd .. .. .	39,85,53,660	5,50,49,201	31,29,58,076	76,65,60,937
.. 1862 .. .. .	26,94,27,222	2,94,81,923	40,80,03,034	70,69,12,179
.. 1874 .. .. .	1,50,13,834	.....	2,86,08,566	4,35,22,400
.. 1875 .. .. .	1,16,31,951	.....	1,93,69,597	3,09,91,548
.. 1876 .. .. .	1,20,01,264	.....	2,89,49,037	4,09,50,301
.. 1877 .. .. .	3,92,51,692	.....	9,55,54,320	13,48,06,012
.. 1878 .. .. .	3,26,57,937	.....	6,39,27,196	9,65,85,033
.. 1879 .. .. .	1,59,28,325	.....	7,27,99,904	8,87,28,229
.. 1880 .. .. .	1,83,99,894	.....	5,37,85,624	7,21,85,518
.. 1881 .. .. .	24,35,719	.....	31,61,858	53,97,577
.. 1882 .. .. .	1,50,90,289	.....	5,03,97,278	7,14,87,567
.. 1883 .. .. .	51,23,372	.....	1,80,22,789	2,31,46,161
.. 1884 .. .. .	1,16,41,757	.....	3,08,48,570	4,84,88,327
.. 1885 .. .. .	3,41,52,203	.....	6,48,78,000	9,90,30,203
.. 1886 .. .. .	1,08,78,075	.....	4,11,46,457	5,20,24,532
.. 1887 .. .. .	4,02,00,148	.....	4,84,00,000	8,86,00,148
.. 1888 .. .. .	75,68,000	.....	6,32,00,000	7,07,68,000
.. 1889 .. .. .	93,68,310	.....	6,53,00,000	7,46,68,310
.. 1890 .. .. .	2,47,41,865	.....	9,29,00,000	11,76,41,865
.. 1891 .. .. .	1,46,69,903	.....	4,95,00,000	6,41,69,903
.. 1892 .. .. .	3,24,55,120	.....	7,22,00,000	10,46,55,120
.. 1893 .. .. .	91,40,310	.....	6,95,90,000	(a) 7,87,30,310
.. 1897 .. .. .	4,70,184	.....	10,54,593	(b) 15,24,777
.. 1898 .. .. .	12,50,976	.....	62,08,437	(b) 75,10,413
.. 1900 .. .. .	5,29,02,591	.....	6,52,36,908	(c) 11,81,39,499
.. 1901 .. .. .	3,37,22,243	.....	7,54,13,718	(d) 10,91,35,961
.. 1901 coined in 1902 .. .. .	3,82,94,644	.....	5,48,44,740	(e) 9,31,39,384
Edward VII, 1903 ditto .. .. .	25,000	.....	.....	25,000
.. .. 1903 .. .. .	4,93,78,355	.....	5,29,69,151	(f) 10,23,47,506
.. .. 1904 .. .. .	5,83,38,617	.....	10,19,40,291	(g) 16,02,78,908
.. .. 1905 .. .. .	5,12,57,883	.....	7,62,02,223	(h) 12,74,60,106

(a) Includes Rs. 5,90,000 coined for the Bikaner State.

(b) On account of Kashmir and Bhopal re-coinage.

(c) Includes Rs. 2,09,02,414 coined for Indian States.

(d) .. Rs. 1,90,43,904 coined for Indian States.

(e) .. Rs. 2,98,86,014 coined for Indian States.

(f) .. Rs. 11,66,451 coined for Indian States.

(g) .. Rs. 59,422 coined for Indian States.

(h) .. Rs. 3,23,000 coined for Indian States.

## STATEMENT XXVI.—(continued.)

### WHOLE RUPEES COINED AND ISSUED FROM THE INDIAN MINTS.

		Coined in Calcutta.	Coined in Madras.	Coined in Bombay.	Total coined.
		Rs.	Rs.	Rs.	Rs.
Edward VII, 1906	.. ..	10,47,97,164	.....	15,89,53,269	(j) 26,37,50,433
" "	1907 .. ..	8,13,38,000	.....	17,09,11,816	(k) 25,22,49,816
" "	1908 .. ..	2,02,17,728	.....	1,07,14,770	3,09,32,498
" "	1909 .. ..	1,27,58,580	.....	95,38,746	(l) 2,22,97,326
" "	1910 .. ..	85,00,000	.....	91,88,673	1,76,88,673
" "	1910 coined in 1911	41,27,013	.....	16,96,273	58,23,286
George V, 1911	.. ..	42,99,924	.....	51,43,125	94,43,049
" "	1912 .. ..	4,51,22,132	.....	7,90,67,074	(m) 12,41,89,206
" "	1913 .. ..	7,58,00,183	.....	8,74,65,788	(n) 16,32,65,951
" "	1914 .. ..	3,31,00,150	.....	1,52,70,000	4,83,70,150
" "	1915 .. ..	99,00,139	.....	53,71,979	1,52,72,118
" "	1916 .. ..	11,50,00,210	.....	9,79,00,000	21,29,00,210
" "	1917 .. ..	11,32,00,217	.....	15,15,82,659	26,47,82,876
" "	1917 coined in 1918	17,74,025	.....	.....	17,74,025
" "	1918 .. ..	20,13,26,240	.....	21,05,50,363	41,18,76,603
" "	1918 coined in 1919	40,94,006	.....	.....	40,94,006
" "	1919 .. ..	19,68,06,224	.....	22,67,06,054	42,35,12,278
" "	1919 coined in 1920	1,44,00,031	.....	.....	1,44,00,031
" "	1920 .. ..	3,86,00,085	.....	5,59,36,544	9,45,36,629
" "	1920 coined in 1921	64,00,064	.....	.....	64,00,064
" "	1920 coined in 1922	5,64,000	.....	.....	5,64,000
" "	1920 coined in 1923	49,36,050	.....	.....	49,36,050
" "	1921 .. ..	.....	.....	51,15,121	51,15,121
" "	1922 .. ..	.....	.....	20,51,150	20,51,150
Total ..		2,70,20,56,128	10,76,07,305	3,66,60,32,346	6,47,56,95,779

(j) Includes Rs. 3,90,310 coined for Indian States and Rs. 167 lakhs (Calcutta Rs. 32 lakhs and Bombay Rs. 135 lakhs) coined from Gold Standard Reserve Silver.

(k) .. Rs. 94,766 coined for Indian States and Rs. 433 lakhs (Calcutta Rs. 168 lakhs and Bombay Rs. 265 lakhs) coined from Gold Standard Reserve Silver.

(l) .. Rs. 1,01,459 coined for Indian States.

(m) .. Rs. 16,56,250 coined for Indian States.

(n) .. Rs. 12,78,441 coined for Indian States.

**STATEMENT XXVII.**  
**RESERVE BANK OF INDIA--ISSUE DEPARTMENT.**  
*(Reference paragraph 51.)*

(in lakhs of rupees.)

		LIABILITIES.			ASSETS.					
Average of Friday figures.		Notes held in Banking Department.	Notes in circulation.	Total liabilities (total notes issued).	Gold coin and bullion.	Starling securities.	Rupee coin.	Rupee securities.	Total assets.	Percentage of gold and sterling securities to total notes issued.
April	1937	12,89	194,08	207,87	44,42	79,91	58,17	25,37	207,87	59.81
May	"	13,53	193,40	206,93	44,42	80,31	54,83	27,37	206,93	60.28
June	"	17,49	189,94	207,43	44,42	80,31	55,33	27,37	207,43	60.13
July	"	26,60	183,51	210,11	44,42	80,31	58,01	27,37	210,11	59.36
August	"	32,07	179,74	212,41	44,42	80,31	60,31	27,37	212,41	58.72
September	"	32,38	181,04	213,42	44,42	80,31	61,31	27,38	213,42	58.44
October	"	30,64	183,43	214,07	44,42	80,31	61,96	27,38	214,07	58.27
November	"	31,20	183,09	214,29	44,42	80,31	62,18	27,38	214,29	58.21
December	"	31,12	183,50	214,62	44,42	80,31	62,51	27,38	214,62	58.11
January	1938	28,17	184,99	213,16	44,42	78,81	62,53	27,40	213,16	57.81
February	"	26,31	187,09	213,40	44,42	78,81	62,78	27,39	213,40	57.75
March	"	24,64	188,92	213,56	44,42	78,81	62,94	27,39	213,56	57.71

## STATEMENT XXVIII

### RESERVE BANK OF INDIA—BANKING DEPARTMENT.

(Reference paragraph 51.)

		(in lakhs of rupees.)									
Average of Friday figures.		Deposits.			Total.	Other liabi- lities.	Notes and coin.	Balances held abroad.	Loans and ad- vances to Govern- ments.	Invest- ments.	Other assets.
		Govern- ments.	Banks.	Other.							
April	1937..	.. 11,15	25,47	55	37,17	38	12,97	25,91	60	7,75	41
May	.. ..	.. 10,31	26,25	59	37,15	37	13,62	25,58	50	7,41	50
June	.. ..	.. 10,75	26,51	55	37,81	47	17,56	23,01	..	7,20	58
July	.. ..	.. 9,98	33,00	53	43,51	61	26,67	17,52	1,00	8,28	71
August	.. ..	.. 9,75	36,47	51	46,73	83	32,76	15,22	75	8,10	79
September	.. ..	.. 13,37	29,47	68	43,52	89	32,47	13,21	..	7,82	88
October	.. ..	.. 12,59	24,90	52	38,01	1,16	30,73	10,76	..	6,78	95
November	.. ..	.. 9,46	25,47	76	35,69	1,25	31,30	7,26	75	6,68	1,03
December	.. ..	.. 9,05	24,36	1,15	34,56	1,23	31,20	4,11	3,20	6,28	1,10
January	1938..	.. 10,99	17,26	1,43	29,68	67	28,25	3,38	2,25	6,03	54
February	.. ..	.. 14,36	13,85	54	28,75	68	26,40	6,25	..	6,30	54
March	.. ..	.. 15,35	14,57	54	30,46	66	24,74	8,47	..	6,72	60

## STATEMENT XXIX.

BALANCE SHEET OF THE RESERVE BANK OF INDIA AS AT 31ST DECEMBER 1937.

(Reference paragraph 52.)

LIABILITIES.			ISSUE DEPARTMENT.			ASSETS.					
	Rs.	a. p.	Rs.	a. p.		Rs.	a. p.	Rs.	a. p.		
Notes held in the Banking Department..	29,32,58,371	0	0		A. Gold Coin and Bullion:—						
Notes in Circulation:—					(a) Held in India..	41,54,53,163	8	2			
(a) Legal Tender in India .. ..	180,60,47,846	8	0		(b) Held outside India .. ..	2,86,97,782	0	10			
(b) Legal Tender in Burma only ..	4,76,56,630	0	0		Sterling Securities..	80,30,69,901	8	3			
Total Notes issued..			214,69,62,847	8	0	Total of A ..			124,72,20,847	1	3
					B. Rupee Coin Govt. of India Rupee Securities .				62,56,45,057	11	3
					Internal Bills of Exchange and other Commercial Paper .. ..				27,40,96,042	11	6
TOTAL LIABILITIES .. ..			214,69,62,847	8	0	TOTAL ASSETS .. ..			214,69,62,847	8	0

Ratio of total of A to liabilities : 53.992 per cent.

LIABILITIES.			BANKING DEPARTMENT.			ASSETS.					
	Rs.	a. p.	Rs.	a. p.		Rs.	a. p.	Rs.	a. p.		
Capital paid up .. ..			5,00,00,000	0	0	Notes:—					
Reserve Fund .. ..			5,00,00,000	0	0	(a) Legal Tender in India .. ..			29,31,51,816	0	0
Deposits:—						(b) Legal Tender in Burma only ..			1,08,555	0	0
(a) Government* ..			9,76,31,226	5	1	Rupee Coin .. ..			4,68,014	8	0
(b) Banks .. ..			20,16,38,933	6	4	Subsidiary Coin ..			3,79,408	0	2
(c) Others .. ..			1,26,43,117	15	10	Bills discounted:—					
Bills payable .. ..			11,65,384	3	7	(a) Internal .. ..			Nil.		
Other Liabilities .. ..			56,36,561	3	0	(b) External .. ..			Nil.		
						(c) Government of India Treasury Bills .. ..			Nil.		
TOTAL LIABILITIES .. ..			41,87,15,223	1	10	Balances held abroad† ..			3,63,76,275	8	8
						Loans and Advances to the Government ..			2,00,00,000	0	0
						Other Loans and Advances .. ..			2,00,000	0	0
						Investments .. ..			6,24,08,283	14	7
						Other Assets .. ..			56,24,870	2	5
						TOTAL ASSETS .. ..			41,87,15,223	1	10

\* Includes £ 28,596-10-7 held in London on account of the High Commissioner converted at 1s. 6d. to the rupee.

† Includes cash and short term securities.

### STATEMENT XXX.

RESERVE BANK OF INDIA—PROFIT AND LOSS ACCOUNT FOR THE YEAR 1937.

(Reference paragraph 52.)

INCOME	Rs.	a.	p.
Interest, Discount, Exchange, Commission, etc. . . . .	1,27,10,792	0	9
<b>EXPENDITURE</b>			
Establishment . . . . .	34,86,255	7	7
Directors' and Local Board Members' fees and expenses . . . . .	88,394	3	6
Auditors' fees . . . . .	9,000	0	0
Rent, taxes, insurance, lighting, etc. . . . .	5,51,618	0	11
Law charges . . . . .	21,251	8	6
Postage and telegraph charges . . . . .	59,490	0	6
Remittance of treasure . . . . .	9,30,039	4	9
Stationery, etc. . . . .	83,529	5	8
Security Printing (cheques, note forms, etc.) . . . . .	16,77,812	15	2
Depreciation and repairs to Bank property . . . . .	78,467	13	10
Agency charges . . . . .	24,96,434	12	4
Contributions to staff and superannuation funds . . . . .	74,500	0	0
Miscellaneous expenses . . . . .	3,57,798	8	0
Net available balance . . . . .	27,91,200	0	0
	1,27,10,792	0	9
Amount set aside for payment of dividend at the rate of 3½ per cent. per annum . . . . .	17,50,000	0	0
Surplus payable to the Governor-General in Council . . . . .	10,41,200	0	0
	27,91,200	0	0

### STATEMENT XXXI.

RESERVE BANK OF INDIA—DISTRIBUTION OF SHARES.

(Reference paragraph 53.)

Area.	1st April 1935.		31st December 1937.	
	Distribution of shares.	Number of shareholders.	Distribution of shares.	Number of shareholders.
Bombay . . . . .	1,40,000	28,000	2,01,448	21,467
Calcutta . . . . .	1,45,000	23,890	1,25,216	14,525
Delhi . . . . .	1,15,000	23,000	93,919	15,669
Madras . . . . .	70,000	14,000	60,221	9,142
Rangoon . . . . .	30,000	3,157	19,196	1,767
Total . . . . .		92,047		62,570