

TREND AND PROGRESS OF BANKING IN INDIA DURING THE YEAR 1955



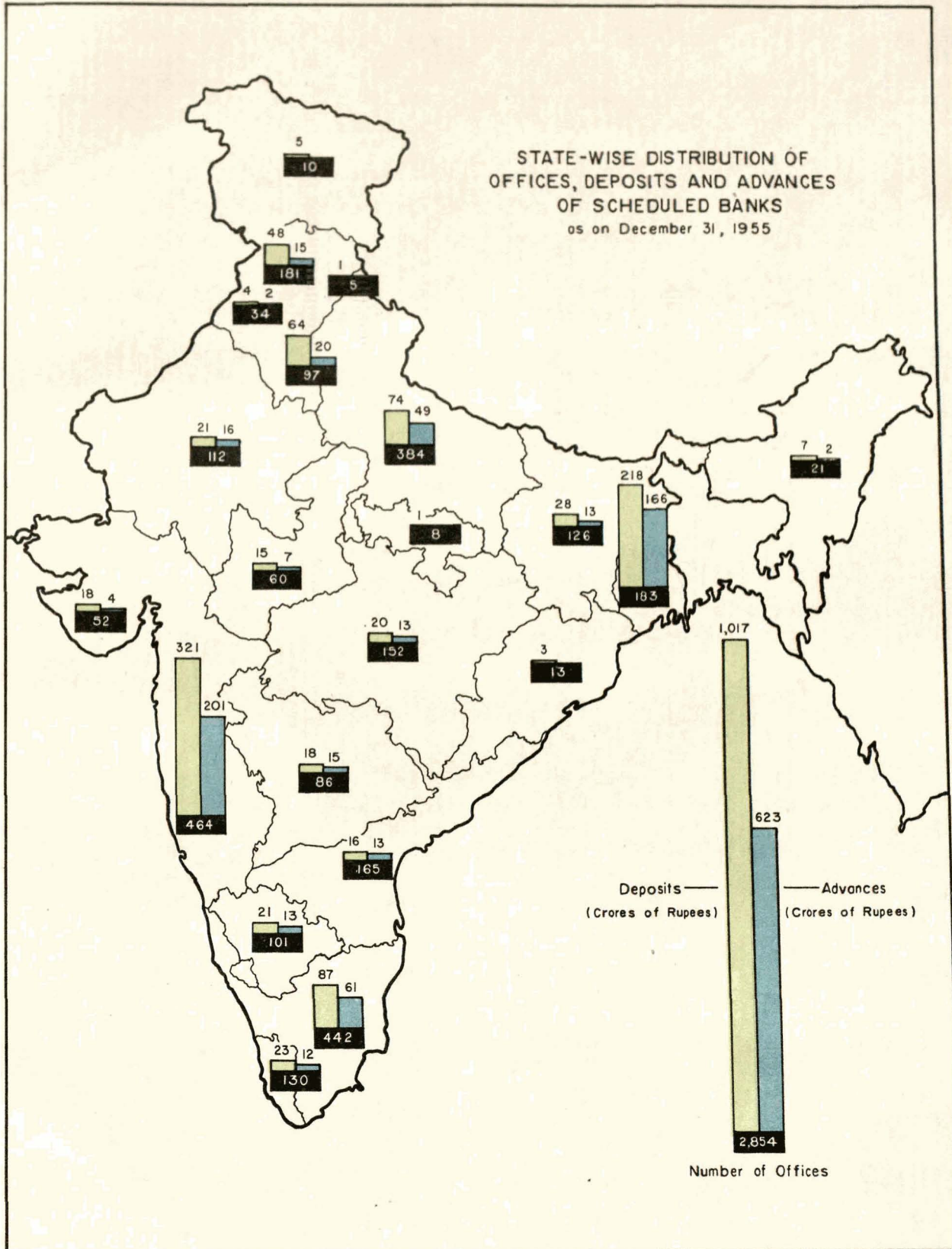
**ANNUAL REPORT UNDER SECTION 36(2)
OF THE BANKING COMPANIES ACT, 1949**

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MAP

STATE-WISE DISTRIBUTION OF OFFICES, DEPOSITS AND ADVANCES OF SCHEDULED BANKS as on December 31, 1955



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CHAPTER I

MONETARY AND BANKING TRENDS ABROAD

In 1954 a large number of countries had witnessed a steady expansion in production accompanied by rising wages and consumption on the one hand, and mounting investment expenditure on the other. This, and the associated increase in bank credit, led by the end of that year to the emergence of inflationary pressures in several countries, which were intensified during 1955. With a view to restraining the development of inflation, monetary authorities brought into vigorous use again the instruments of credit control, both of a general and selective nature. In the United States of America, for example, the emphasis on 'less active ease' which had followed that of 'active ease' was replaced by one of 'positive restraint' in monetary policy. In the United Kingdom, the operation of the higher Bank rate and other monetary controls was reinforced by the employment of 'directives' to banks to regulate the volume of credit. Tightening of credit was resorted to in other European countries also, such as Western Germany, Belgium and the Netherlands, in Scandinavian countries, and in certain countries of the Commonwealth as well as in Japan.

Early in 1955, trends in the U.S.A. were expansionary in most sectors of the economy; the stock exchanges were booming and levels of real estate and consumer credit were rising rapidly; the general increase in production was accompanied by higher consumer expenditure and the growth of inventory accumulation which led to a marked upsurge of inflationary pressures. These were sought to be arrested by the gradual reimposition of monetary controls by making money both dearer and scarcer. Over the year, the discount rate was raised by 1/4 per cent on as many as four occasions to 2½ per cent to check the growing credit volume. The discount rate mechanism was supplemented by the flexible use of open market operations on the one hand, and imposition of selective controls on the other. Thus, in January and again in April, the Federal Reserve increased the margin requirements for securities covered under Regulations* U and T in two stages from 50 per cent to 70 per cent. While these measures were directed against stock market credit, attempts were also made to curb the real estate boom and, accordingly, in July, the terms of credit for this purpose were stiffened by raising the down-payments and reducing the period for completion of payments. The rising volume of bank credit was not sufficiently held in check by these measures and consequently the discount rate, which in April was put up to 1¾ per cent, was raised on three further occasions during the year, in August to 2 per cent, in September to 2¼ per cent and in November to 2½ per cent—the highest level for over two decades. By the end of 1955, however, some slackening of the pace of expansion was noticeable, real estate credit levels also showing a

*Regulation 'U', imposed under the authority of the Securities Exchange Act of 1934, establishes maximum loan values for shares listed on national security exchanges and limits individual loans for purchasing and carrying such shares to the designated loan values. Regulation 'T' imposes similar restrictions upon brokers and dealers in securities when they relend to their customers funds which they have borrowed from the banks.

decline. Taking the year as a whole, the credit extended by the member banks rose by \$7.3 billion to \$67.6 billion, commercial, industrial and agricultural loans representing over half of this increase.

In the U.K., for most of the year, official policy was one of squeezing credit ; the first indication of this came as early as in January when the Bank of England put up its rate by 1/2 per cent to 3½ per cent following the rapidly mounting inflationary pressures within the economy and the deterioration in the external payments position. The immediate causes which necessitated urgent action were the weakness of the pound sterling in the foreign exchange markets—itsself the result of diverse factors, not the least important of them being psychological—and a general increase in short-term rates in the London money market. The increase in the Bankrate in January was intended to bring about an improvement immediately through strengthening the pound in the foreign exchange market and ultimately by correcting the adverse balance of payments on the one hand and by exercising a restraining influence on domestic expenditure on the other. However, the change in the rate was small and mainly in the nature of an adjustment to higher market rates and this measure did not have any significant effect. In the very next month, therefore, the Bank of England again put up its rate to 4½ per cent with a view to applying a more effective curb to the inflationary upsurge and the worsening of the external payments position. The authorities employed, in addition to the discount rate mechanism, open market operations with a view to maintaining the pressure on banks to limit credit. While these measures had the effect of a decline in deposits with clearing banks, the level of credit extended by them was not reduced, but on the other hand, continued to rise. The expansion in bank advances, when liquidity ratios were under pressure, was made possible by a drawing down of over £250 million in the first half of 1955 by the clearing banks of their gilt-edged investments. It became apparent that orthodox monetary policy needed to be supplemented by more direct measures and, accordingly, the Chancellor of the Exchequer issued in July a directive to banks calling for a positive and significant reduction in the level of advances. At the same time, restrictions were imposed on the terms offered for hire-purchase transactions. During the second half of the year, total loans of the clearing banks declined sizeably. Since most of this decline, however, was on account of repayment by the nationalised Gas and Electricity undertakings of their borrowings from the banking system, the significance of this reduction in credit was to that extent qualified. At the same time, as a result of the growing level of Government borrowings from the banking system against Treasury bills, the liquidity ratio of the banking system increased and by the end of the year stood at 37.4 per cent. Despite this, deposit totals declined in the second half of the year, mainly on account of the reduction in bank credit. While this made for a lower level of money supply, the underlying strength of the rising trend of consumption was evidenced by a striking reversal in 1955 of the trend of small savings. There was a net withdrawal of £35 million in small savings in 1955-56 as against a net receipt of £60 million in 1954-55.

In the Scandinavian countries of Norway and Sweden, primary reliance was, in the post-war period, placed on non-monetary measures to stem inflationary pressures. However, during the course of 1955 the authorities in these countries also resorted to monetary controls by putting up their Bank rates or by issuing directives. Thus, in Norway, to correct the deterioration in the country's balance of payments position, the Norges Bank issued a directive in January to commercial banks calling for a reduction in the level of outstanding credit. Soon after, in February, reserve requirements were prescribed, while later in that month the Norges Bank raised its rate by 1 per cent to $3\frac{1}{2}$ per cent. To achieve a reduction in the volume of real estate credit, the Norwegian authorities also restricted the authorisation of housing loans to be floated in 1955 to less than one half of the figure for 1954. In Sweden, the initial effort at reducing credit levels was through moral suasion but the Riksbank followed this up by raising the Bank rate by 1 per cent to $3\frac{3}{4}$ per cent in April. However, the policy was tempered, to some extent, with a view to mitigating the difficulties experienced in financing residential construction. In Denmark also, the measures included a stiffening of interest rates and an attempt to limit credit creation by banks through the deposit by them of specified surplus funds with the National Bank at one month's notice and at $1\frac{1}{2}$ per cent interest.

In Belgium and Western Germany, the balance of payments position was comfortable and internally the economies were stable, though expanding. Money markets also were in a fairly liquid position. However, the authorities in both countries felt the need for some precautionary measures. Accordingly, in August, the National Bank of Belgium and the Bank Deutscher Lander put up their discount rates by $\frac{1}{4}$ per cent and $\frac{1}{2}$ per cent to 3 per cent and $3\frac{1}{2}$ per cent, respectively. In Western Germany, in addition, minimum reserve requirements for banks were raised with a view to checking undue credit expansion. In the Netherlands, the control of inflationary pressures as a result of the rising level of domestic expenditure was first attempted through allowing interest rates to rise but later this was reinforced through an appeal to banks to check excessive credit expansion and through the adoption of fiscal measures to restrain domestic expenditure.

In many Commonwealth countries, too, monetary policy was employed with a view to restraining excessive internal expansion and external deficits. In New Zealand, in view of the growing inflationary pressures which were being sustained by a large level of bank credit and the deterioration in the country's foreign exchange position, the Reserve Bank put up the discount rate on three occasions—in July, September and October—from an initial level of 4 per cent to 7 per cent; as, however, the level of bank borrowings from the Reserve Bank was rather small, the authorities supplemented the use of the Bank rate instrument by enforcing higher levels of reserve requirements; thus, in June, July and again in October, reserve requirements were raised from an initial level of 15 per cent to 24 per cent of demand liabilities. In Australia also, similar reliance was placed on the use of the 'special

accounts' procedure to curb credit creation by the banking system through a reduction in the releases from the 'special accounts'. Simultaneously, banks were asked not to grant further credit for hire-purchase purposes. In South Africa, the earlier part of the year witnessed generally stable conditions but the raising of the discount rate in London resulted in the stiffening of money rates in the Union. In the second half of the year, bank credit was rising and the Reserve Bank requested the commercial banks in August to reduce loans especially those intended for hire-purchase transactions and fixed capital investment. In the next month, the Reserve Bank raised its discount rate by $\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent and this was followed by a general hardening of the rates structure in South Africa.

In Canada, in the early months of the year, the improvement in the internal situation enabled the authorities to reduce the discount rate to $1\frac{1}{2}$ per cent from 2 per cent but soon there developed an expansionary movement in Canadian economic activity, partly as a result of the upswing in the U.S. economy. This stimulated credit demands and exerted pressure on bank reserves. In August, therefore, the Bank of Canada restored the Bank rate to 2 per cent and in October and November raised it further, in two stages, to $2\frac{3}{4}$ per cent with a view to restraining further credit growth.

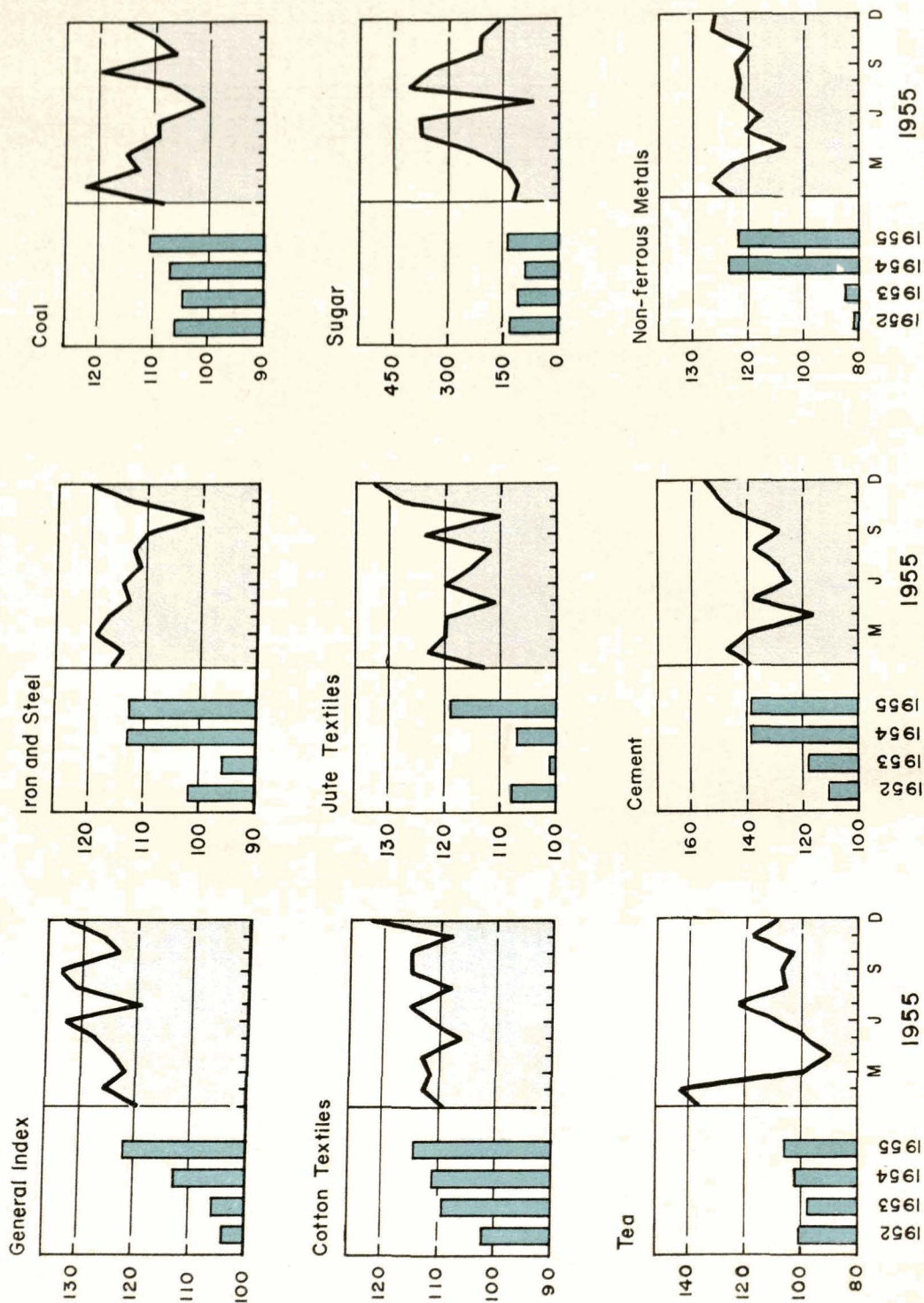
Among the Asian countries, Japan and Turkey adopted restrictionist monetary policies. In the former, the discount rate was raised in August from 5.84 per cent to 7.30 per cent and certain other changes were effected in the rates structure, while in Turkey the Central Bank increased its discount rate by $1\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent in June with a view to bringing about an improvement in the country's external payments position.

Here in India, there was a similar expansionary movement in the economy but there was no occasion calling for revision in the general credit policy which remained one of encouraging the flow of funds for genuine trade and industrial purposes and avoiding any marked speculative tendencies. In the Chapters that follow, the main trends in banking and credit are reviewed against the background of general economic conditions.

GRAPH 1

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

Base — 1951 = 100



CHAPTER II

THE BANKING SITUATION IN 1955

In India, the year was marked by a high level of economic activity; the main impetus to this was internal in the form of an acceleration of the tempo of developmental effort in both the public and private sectors. Production levels were rising as was the volume of trade, both internal and external; prices, generally, were looking up and against this background of economic expansion, banking activity was naturally greater. Resources of banks expanded, while their loan portfolios were also higher. However, it was not only for the increased volume of banking business but also for the momentous and far-reaching organisational changes that took place in the banking sector that the year was significant. Steps were taken to ensure wider banking facilities and to strengthen the banking structure so as to equip it better for its important role in coming years in the finance of diverse forms of economic activity.

The general economic background against which there occurred a growth in banking business was one of industrial and business expansion. Production in industry continued to mount; the general index of industrial production (base : 1951=100) recorded a further rise of 8.3 per cent over the previous year, from 112.9 to 122.3. While most industries increased their output levels, the rise in production was particularly marked in the newer industries. The basic industries, such as steel and coal also showed increases, near-capacity production having been attained in the case of the former. Among the other major industries, cotton textiles bettered the previous year's record level, while in the jute industry a significant increase in production was witnessed for the first time since 1951-52. The sugar industry, whose output had declined in 1953-54, registered in 1954-55 a spectacular increase of nearly 60 per cent; the output slightly exceeded the target set for the First Five-Year Plan. The general improvement in industrial production was related to the greater availability of raw materials, the increasing utilisation of installed capacity and a rising level of demand reflecting an allround expansion in economic activity. The index of agricultural production at 113.9 (base : agricultural year 1949-50 = 100) was only slightly below the level of 114.1 of the record year of 1953-54. The production of foodgrains at 65.8 million tons showed a decline owing to adverse weather conditions; the short-fall in cereals production was more or less offset by an increase in the production of other agricultural commodities. In most varieties of cotton, progress towards self-sufficiency was maintained while oilseeds production also showed a rise over the previous year's level.

The expansion in output was, however, somewhat more than matched by an increase in the volume of money. In 1955, money supply with the public rose by Rs. 209 crores or by 11.3 per cent as against the rise of Rs. 121 crores* in 1954. Most

*Revised.

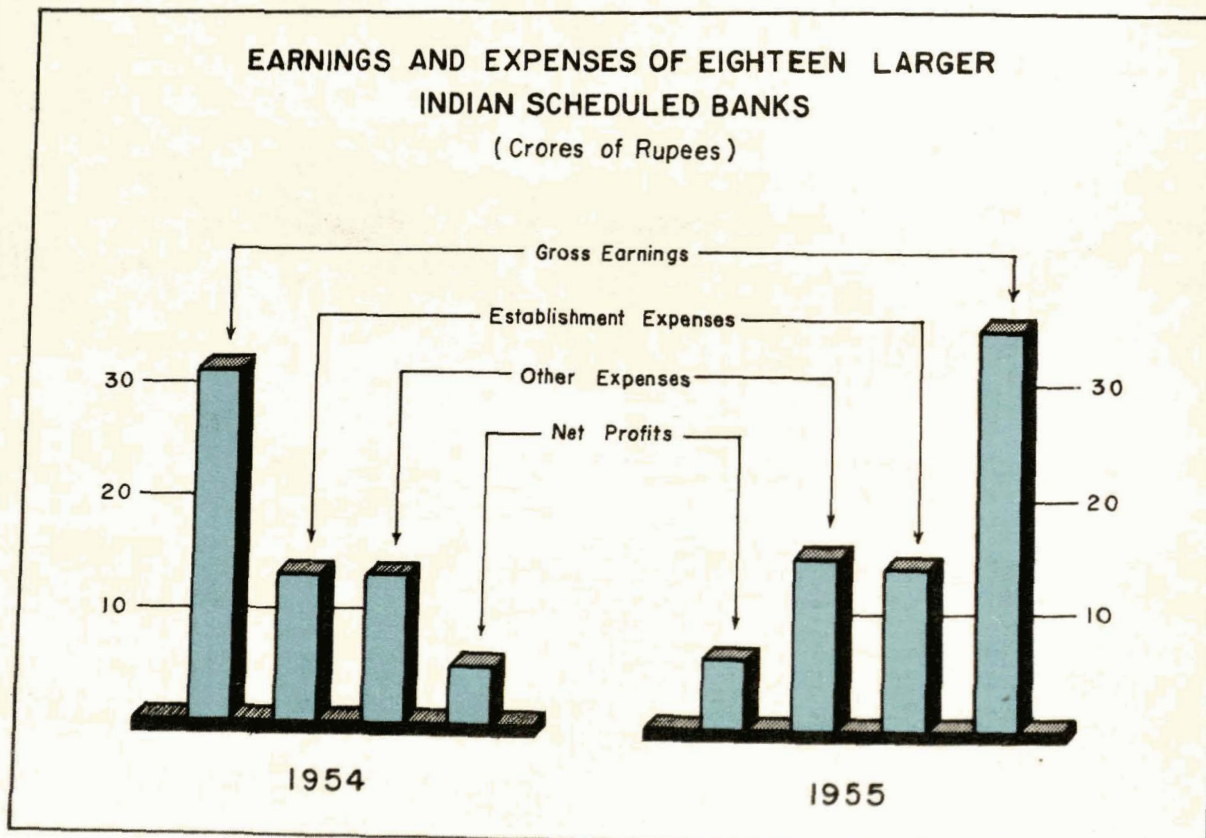
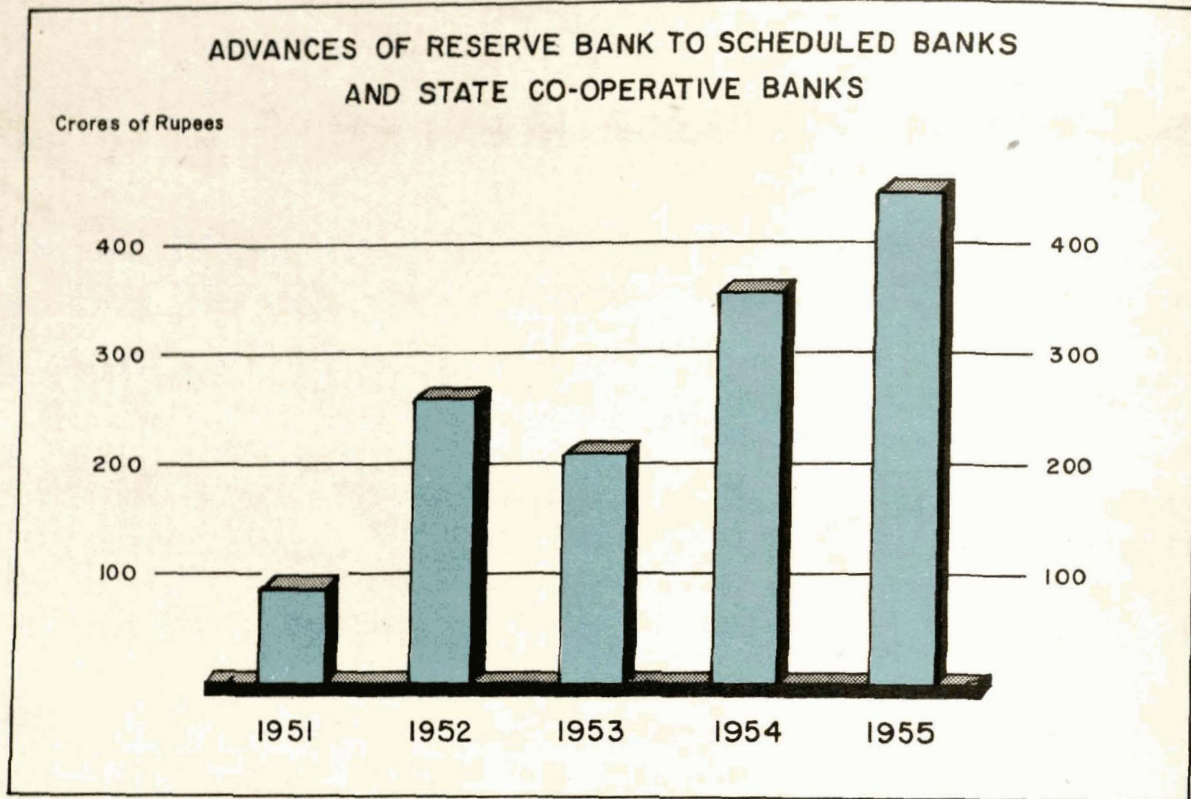
of this increase was in the currency component of money supply, the increase in deposits amounting to no more than Rs. 48 crores; this might be compared to the more equal shares of the increase in currency and deposits in the previous year. The growth in money supply was largely a reflection of the increasing money needs of a developing economy. In addition, in 1955, budgetary deficits and expansion in bank credit made for a rise in money supply and the level of quasi-money (time deposits); a comparatively minor factor was the surplus in balance of payments. In this connection, it may be mentioned that the busy season of 1954-55 witnessed a larger expansion of Rs. 232 crores in money supply than the previous busy season expansion of Rs. 171 crores. Besides, in the slack season of 1955 money supply showed a contra-seasonal rise of Rs. 5 crores, with the result that at the commencement of the current busy season the volume of money was considerably higher.

Despite this expansion in money supply, prices, in general, did not record any net rise over the year. In fact, at 368.4 the Wholesale Price Index (year ended August 1939=100) for December 1955 was practically the same as for December 1954. However, during the course of the year, prices showed certain variations in trends. In the first half of the year, commodity prices generally tended to move downwards; this was a continuation of the decline in prices which had set in during September 1954. The recovery in the second half of the year was marked in food articles and industrial raw materials and was accounted for by seasonal factors, rising internal demand and an apprehended reduction in supply owing to some fall in food production. The adoption by Government of special price support and export liberalisation measures with a view to stemming the fall in prices also contributed to a rise. The rising trend in prices has once again shifted the emphasis in Government policy to measures for checking undue price increases and, in particular, for mitigating the possibilities of speculative trading. Accordingly, the export of some commodities was curtailed, if not banned; in the case of others, larger stocks were released in the internal market and in some cases measures were taken to increase imports.

The favourable developments within the economy were reflected in a larger surplus in the external payments position in 1955. As against a nominal deficit of Rs. 4.1 crores in 1954, India's balance of payments showed a current account surplus of Rs. 41.6 crores in 1955; a major portion of this occurred in the first quarter. This surplus was achieved at a higher level of trade than in 1954 despite a slight worsening of the terms of trade. Aggregate imports in the year 1955 amounted to Rs. 700 crores* or about Rs. 60 crores more than in 1954; this was largely due to the increasing pace of development and larger levels of industrial production and was facilitated by a more liberal import policy on the one hand, and an improvement in the supply position abroad on the other. India's exports also were significantly higher in 1955 than in 1954. The export performance in 1955 has been the best so far

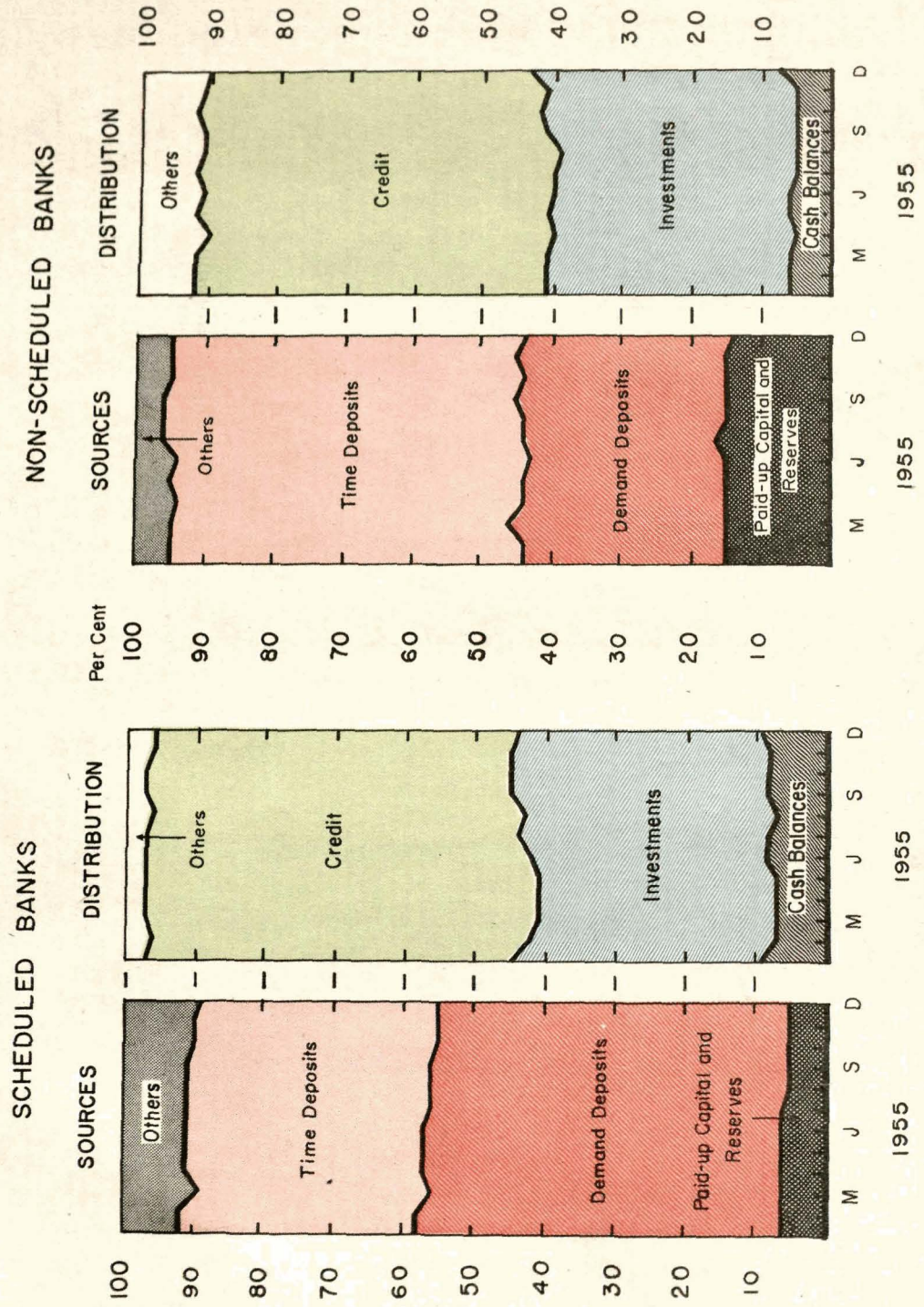
* Preliminary.

GRAPHS 2 AND 3



GRAPH 4

SOURCES AND DISTRIBUTION OF FUNDS



recorded with the exception of the post-Korean boom year; while the main factor behind the export improvement has been the general expansion in world production and trade, Government's export promotion policy was no less a significant factor.

The generally healthy picture of economic activity in the country was reflected in capital market trends during the year. There was a substantial net increase in share prices over the year (about 15 per cent) and activity was broader reflecting largely the better corporate trends and the growing strength of the economy, though there were also certain sporadic speculative spurts. The year was notable for the enactment of comprehensive legislation to regulate and direct the working of companies, which should have reinforced investor confidence. That this confidence has been growing is indicated by the larger volume of new financing actually done or successfully planned in the private sector of industry alongside sizeable borrowings by Government through loans and small savings schemes.

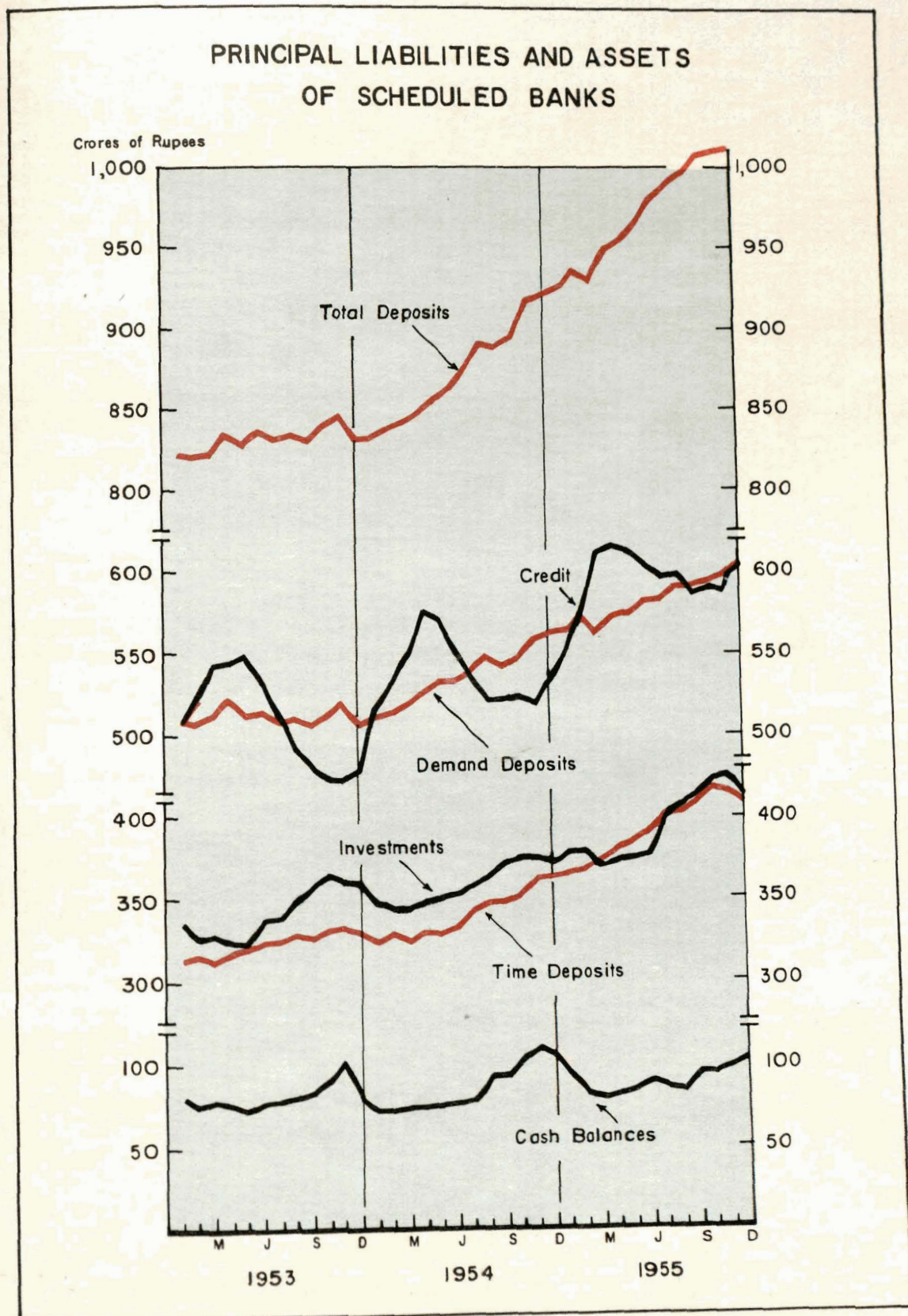
The higher level at which the Indian economy was thus operating was fully reflected in the trends in banking business during the year. The rise in the deposits of commercial banks in 1955 was of the same order as in 1954. The expansion of bank credit, however, outstripped the increase in the preceding year. This meant that the gap between the banks' deposit resources and their main earning assets, viz., advances, was narrowed and this led, in some measure, to the larger recourse by the banking system to the Reserve Bank as well as to certain adjustments in their other assets, such as, cash. In fact, the entire deposit increase was put to use in earning assets. The increasing utilisation of bank funds in advances and the necessity for banks to seek central bank accommodation naturally led to a rise in the cost of funds; the money market in 1955 was characterised by a greater degree of stringency than in the previous year and consequently rates have generally been higher. These and other developments are reviewed in greater detail in the paragraphs that follow.

In 1955, in continuation of the trend in the two previous years, the deposits of scheduled banks increased by Rs. 91 crores to Rs. 1,013 crores, passing the Rs. 1,000 crores level for the first time in seven years. The growth in deposits may now be expected to continue with the increasing impact of developmental outlay on bank resources. The expansion in deposits in 1955, though similar in magnitude, differed markedly from that which occurred in 1954. In 1954, demand deposits had shown a much larger rise at Rs. 56 crores than time deposits which had gone up by Rs. 35 crores. In the year under report, on the other hand, the expansion of time deposits was somewhat more significant at Rs. 47 crores, as against an increase in demand deposits of about Rs. 43 crores. In fact, time deposits generally increased over the year as a whole; demand

Sources and
Uses of Bank
Funds

Trends in
Deposits

GRAPH 5



deposits rose mainly in the second half following a somewhat uncertain trend over the earlier part of the year. The share of savings deposits in the total of deposits as indicated by the data relating to the Survey of Ownership of Deposits as on December 31, 1955, has remained by and large the same.

Indian scheduled banks accounted for Rs. 74 crores out of the total scheduled banks' deposits expansion of Rs. 91 crores.* Their share in the rise of time deposits was particularly striking, and, at the end of the year, the proportion of their time deposits to total deposits with them was 42 per cent as against 40 per cent at the end of the previous year; the proportion of time deposits to total deposits in respect of all scheduled banks was 40 per cent at the end of 1955. In the case of exchange banks, the increase was largely in demand deposits which is not surprising in view of the nature of their business.

The Survey of Ownership of Deposits as on December 31, 1955 showed that the deposit expansion was shared by all the main ownership groups except Government and quasi-Government; business and personal deposits increased by Rs. 32 crores each and those of 'Others' by Rs. 29 crores. Their relative shares were more or less the same as at the end of the preceding year and consequently the distribution pattern in December 1955 did not show any significant variation from that of the previous year.

Deposits of Scheduled Banks, December 1954-December 1955†

(Crores of rupees)

Types of deposits	Period	Business	Personal	Government	Others	Total
Demand	Dec. 1954	235.9	114.7	48.9	65.2	464.6
	June 1955	262.2	123.4	37.8	64.1	487.5
	Dec. 1955	260.1	125.6	39.4	72.0	497.0
Time	Dec. 1954	83.0	154.0	35.7	26.2	298.9
	June 1955	87.2	163.6	40.1	29.9	320.8
	Dec. 1955	92.8	174.3	36.7	30.3	334.0
Savings	Dec. 1954	2.1	140.4	—	4.0	146.5
	June 1955	2.2	149.1	—	4.2	155.5
	Dec. 1955	—	140.8	—	21.8‡	162.5
Total	Dec. 1954	320.9	409.0	84.7	95.4	909.9
	June 1955	351.5	436.1	78.0	98.2	963.7
	Dec. 1955	352.8	440.6	76.0	124.1	993.5

†Relate to 85 banks in December 1954, 86 banks in June 1955 and 84 banks in December 1955.

‡Includes business deposits.

The data on the regional distribution of deposits also showed that there were no changes of consequence over the year. The largest increases in deposits in absolute amounts occurred in the States of Bombay and West Bengal, but the respective shares of these States did not increase.

*Figures are based on data obtained on Form XIII and hence differ from those in the subsequent paragraph which are based on the Survey of Ownership of Deposits.

In the context of the sustained rise in deposits and business activity, movements in the velocity of deposit money would be of interest. Data relating to bank clearings showed that in 1955, the velocity of deposit money at 13.1 was more or less equal to the levels for 1954 and 1951 of 13.0. But for the suspension of clearings in Calcutta towards the year-end, the figure should have been slightly higher.

While thus the outside liabilities of scheduled banks in the form of deposits showed a sizeable expansion, their 'own' funds in the shape of capital and reserves increased by Rs. 1 crore. Though this was ten times the increase that took place in 1954, it still represented a less than proportionate rise compared to deposits; in the result, capital and reserves as a ratio to total deposits showed a slight drop of 0.5 per cent to 6.3 per cent. The absolute increase in this item was wholly on account of reserves, Indian scheduled banks accounting for the greater part of it at Rs. 60 lakhs. Non-scheduled banks (despite a fall in their reporting number) showed a rise of Rs. 10 lakhs in their reserves and a fall of Rs. 40 lakhs in the paid-up capital, the total of these two items thus being below the previous year's level. As a proportion of deposits, therefore, this item was somewhat lower than in the preceding year by 1.6 percentage points though compared to scheduled banks the ratio for this class of banks remained higher.

The reserves of Indian scheduled banks as a proportion of their paid-up capital increased by 2 per cent to about 86 per cent, while in the case of non-scheduled banks, reserves for the first time accounted for a little over one-half of paid-up capital. Though there is no statutory requirement in this country regarding the level of reserves to be maintained, Indian legislation by implication has, as a minimum, suggested equality between paid-up capital and reserves. At the end of 1955 only 22 out of 72 reporting scheduled banks had attained that level. Among non-scheduled banks, the corresponding numbers were 72 and 386. The number of banks which have no reserves at all has been declining every year since 1952 and as against 28 banks in 1954, of which 2 were scheduled banks, only 25 banks fell under this category in 1955. The structure of capital and reserves of individual banks had a considerable range of variation most of the capital and reserves being concentrated in a few units which also accounted for the bulk of the banking business as indicated in the table below:-

Paid-up Capital, Reserves and Deposits of Indian Banks

(Amount in crores of rupees)

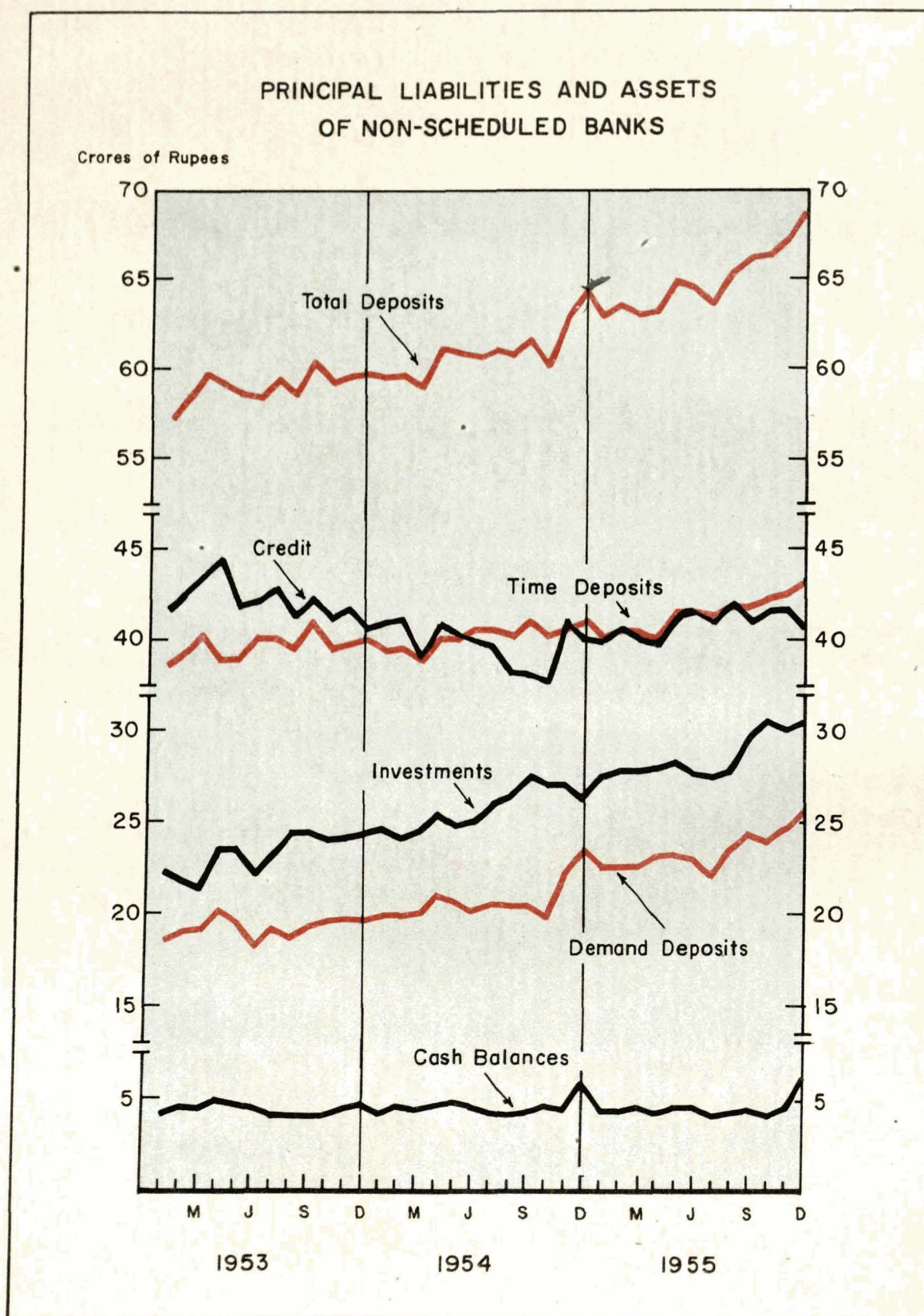
Size of paid-up capital and reserves	Number of reporting banks			Total paid-up capital and reserves			Deposits		
	1949	1954	1955	1949	1954	1955	1949	1954	1955
1. Below Rs. 50,000 ..	83	36	32	0.2	0.1	0.1	1.0	0.2	0.2
2. Rs. 50,000 to Rs. 1 lakh	67	111	102	0.5	0.8	0.7	1.8	2.7	2.4
3. Rs. 1 lakh to Rs. 5 lakhs	141	190	191	3.2	3.9	3.9	14.8	18.4	19.4
4. Rs. 5 lakhs to Rs. 50 lakhs	110	106	104	58.7	13.1	13.4	661.8	82.7	98.7
5. Rs. 50 lakhs and over		29	29		54.8	54.9		708.1	769.3
Total ..	401	472	458	62.6	72.7	73.0	679.4	812.0	889.9

The expansion of their resources was but one facet of the larger volume of banking transactions in 1955; it was, however, the trends in bank credit that most clearly reflected the higher level of banking operations. Over 1955, scheduled bank credit expanded by Rs. 80 crores; this figure, however, conceals seasonal variations. The earlier months of the year coincided with the most active part of the 1954-55 busy season during which the total expansion in scheduled bank credit amounted to Rs. 107 crores; of this, the increase in the first eighteen weeks of 1955 amounted to Rs. 89 crores. The former amount was slightly smaller than the previous (1953-54) seasonal expansion of Rs. 112 crores. What was of greater interest, however, was that in the ensuing slack season the return of funds to the banking system was no more than Rs. 32 crores which meant that well over two-thirds of the total credit made available earlier remained in the pipe line. The tendency towards contraction of the financial slack season observed recently, with a corresponding change in the busy season, might be interpreted not so much as an aberration of the pattern but as a reflection of the beginning of a somewhat deeper underlying trend of a general increase in, and lengthening of, credit demands as a result of the growing diversification of the Indian economy. The experience of seasonal variations in scheduled bank credit was normal when the agricultural basis of the economy was pronounced; the growth of the secondary and tertiary sectors would seem to be moderating somewhat the extremes of seasonality. The rather low level of return of funds to the system during the slack season in 1955 meant that at the beginning of the 1955-56 busy season banks were committed to a greater extent as regards advances; this would, by itself, have limited somewhat their further credit creating capacity. As the current busy season progressed, it became clear that while advances were rising, and had risen by December-end by Rs. 34 crores to Rs. 645 crores, the trend in deposits was less expansionary as compared to the previous busy season with the result that banks were put under some pressure in meeting additional credit demands out of their own resources.

Taking the year as a whole, the average level of bank credit was higher. The rise in the level of credit over the year which, apart from 1951—the year of post-Korean inflationary upsurge—was noticed for the first time in 1954, was thus repeated in the year under review. This was a development to be expected in view of the rising credit requirements of a more rapidly expanding economy, though the advances-deposits ratio for scheduled banks varied within the range of 59-67 per cent. Some smaller banks showed a relatively over-extended position in that their advances almost throughout the year exceeded their deposit totals.

The expansion in bank credit, however, did not mean any significant change in the distribution either between the various groups of banks or as between different purposes. Indian scheduled banks still accounted for a little over two-thirds of total advances, while exchange banks' share was somewhat less than a fourth and that of non-scheduled banks over 6 per cent. These figures do not present the whole

GRAPH 6



picture ; Indian scheduled banks used less of the accretion to their resources in the form of advances, their advances-deposits ratio standing at an average of 56.3 per cent for the year which was lower than for 1954 (56.8), whereas the growth of exchange banks' advances in 1955 helped to raise their average advances-deposits ratio from 81.8 per cent to 82.1 per cent. The purposewise classification of scheduled bank advances also did not indicate any significant variation as between the major groups. Thus, industry continued to claim a little over a third and commerce for about a half of all scheduled bank credit, while production credit for agriculture remained insignificant. Within each group, certain interesting changes occurred ; in conjunction with the data obtained by the Bank regarding advances against principal commodities, the data based on the Survey of Advances indicated that as regards certain commodities, a somewhat greater expansion of advances had taken place. Sugar was the most striking example and the explanation for this seemed to lie not only in the large increase in production of this commodity but also in the higher level of imports. However, taking the five-year period from December 1950 to December 1955, the proportion of industrial to total advances showed a rise of 2.3 per cent to 34.3 per cent whereas the proportion of commercial advances declined from 51.8 per cent to 50.1 per cent.

Though the increase in bank credit was smaller than the expansion of bank resources, principally deposits, scheduled banks drew down their cash reserves from a level of Rs. 103.6 crores to Rs. 100.2 crores, with a consequent reduction in the cash ratio from 11.2 per cent to 9.9 per cent. The reduction in cash reserves occurred in the balances held with the Reserve Bank. Excess balances with the Bank were generally more moderate than in 1954 and at no time exceeded Rs. 28 crores. These trends serve to confirm the explanation offered in earlier Reports that as a result of the more liberal borrowing facilities now available at the Reserve Bank it has become possible for scheduled banks to work on smaller cash reserves. As was noted in previous years, the cash ratio for Indian scheduled banks was higher than that for either exchange banks or non-scheduled banks. There were a few occasions when some scheduled banks defaulted in the maintenance of statutory reserves ; most of these were of a casual nature and were soon put right.

The relatively larger increase in bank deposits than in bank credit and the reduction of cash assets helped scheduled banks to add to their investment portfolios by as much as Rs. 42 crores, of which more than Rs. 36 crores represented investments in Government securities. The additional gilt-edged investments were entirely accounted for by Indian scheduled banks and were made in the second half of the year, partly through subscription to the Central Government Loan floated in July 1955. As a result of this substantial increase in investments, Indian banks' ratio of investments to deposits rose from 43 per cent to 44 per cent. Exchange banks' investments in gilt-edged securities, on the other

hand, declined fractionally. Though this was more than offset by a rise of about Rs. 3 crores in other investments the ratio of their aggregate investments to deposits showed a small decline of 1 per cent to 26 per cent. In the case of non-scheduled banks also, there was an addition to their holdings of investments and an increase by 4 per cent in the proportion of investments to total deposits.

Though investments of all scheduled banks rose by Rs. 42 crores, the broad pattern of distribution by type of security in December 1955 remained much the same as in previous years.† Government securities still accounted for well over four-fifths of the total. Foreign investments totalled Rs. 21 crores, about Rs. 6 crores of this being held in Pakistan.

Investments of Scheduled Banks, December 1955*

(Crores of rupees)

	December 1954	June 1955	December 1955
1. Government securities—of which	357.5	358.7	396.1
(i) Central Government	322.4	323.0	345.0
(ii) State Governments	35.0	35.5	50.9
(iii) Others—mainly postal	0.2	0.2	0.2
2. Other domestic investments	32.5	34.8	36.3
3. Foreign investments	23.9	23.3	21.1
Total	413.9	416.8	453.5

*Relate to 83 banks in December 1954, 88 banks in June 1955 and 84 banks in December 1955.

The maturity pattern of scheduled bank gilt-edged holdings underwent some interesting variations as indicated in the following table.

Maturity Distribution of Scheduled Banks' Holdings of Government Securities, December 1955

(Amount in crores of rupees)

	December 1954	Percent- age to total	June 1955	Percent- age to total	December 1955	Percent- age to total
Treasury bills ..	6.7	1.9	3.6	1.0	10.0	2.5
Securities maturing :—						
Within 1 year ..	15.5	4.3	15.5	4.3	0.9	0.2
Between 1 — 5 years ..	70.5	19.7	58.1	16.2	83.8	21.2
5 — 10 ..	209.6	58.6	211.4	58.9	239.6	60.5
" 10 — 15 ..	41.3	11.5	55.0	15.3	46.5	11.7
Over 15 ..	14.1	3.9	15.1	4.2	15.3	3.9
Total ..	357.5	100.0	358.7	100.0	396.1	100.0

The resources position of the Indian banking system was, taking a broad overall view, fairly comfortable in 1955. However, there were many occasions in the early part of the year and again towards the year-end when seasonal financing pressed on their resources. To meet this, banks drew down their cash reserves and in December reduced their holdings of investments by Rs. 11 crores. In the main, however, banks sought to close the seasonal gap in their resources through borrowing from the Reserve Bank. Between the end of 1954 and 1955, the outstandings of scheduled bank borrowings

†Based on Survey data.

from the Reserve Bank showed an increase of Rs. 20 crores to Rs. 30 crores. In the first four and half months the outstanding level of borrowings rose by Rs. 26 crores; an increase of Rs. 30.5 crores was recorded under the Bill Market Scheme, while against Government securities there was a decline of Rs. 4.3 crores. In the slack season most of this was repaid but in the current busy season by December-end, the outstanding borrowings had risen again by Rs. 23.3 crores. An interesting feature as regards the Bank's lending has been that while hitherto the Indian banks had been the main borrowers under Section 17(4)(c), in 1955 exchange banks exhibited considerable interest in the Bill Market Scheme. Their outstanding borrowings under the Scheme rose in the first four and half months of the year by Rs. 9.5 crores; these banks were borrowers in the slack season also, while in the two and half months of the current busy season (upto December) they again increased their borrowings by Rs. 3.4 crores. The larger recourse which exchange banks have been having to the Reserve Bank gives ground for the belief that the Indian money market is acquiring a greater degree of autonomy. Hitherto the inflow of short-term capital from abroad was a fairly common occurrence in the busy season in particular, but the higher borrowing rates abroad and the facilities available locally in the form of the Reserve Bank credit combined to bring about this result.

It was stated earlier in the Chapter that the money market in 1955 was characterised by a greater degree of stringency than in the previous year and that consequently money rates were higher. In the busy season of 1954-55, while the movements in rates generally conformed to the usual seasonal pattern, the peak levels were fractionally higher compared with those for the busy season of 1953-54. Thus the call rate among the larger scheduled banks in Bombay was 3 per cent as against $2\frac{1}{2}$ -3 per cent and the three months' deposit rate was $3\frac{1}{8}$ - $3\frac{1}{4}$ per cent as compared with 3 per cent in the earlier busy season. Besides, in the ensuing slack season, the money market remained more stringent than is usual in this period; this was reflected in the behaviour of rates. The call money rate quoted by the larger scheduled banks in Bombay, after easing to the slack season low of $1\frac{1}{4}$ - $1\frac{1}{2}$ per cent on July 22, hardened to $2\frac{1}{2}$ -3 per cent on August 19; the rate, however, eased later to $2\frac{1}{2}$ per cent on September 27. Towards the close of the year money rates again hardened and the call rate among the larger scheduled banks in Bombay touched 3 per cent by the end of December.

The substantial increase in the turnover of banking business in the past year was reflected in the profit and loss accounts of 18 larger Indian scheduled banks (each with deposits of Rs. 5 crores and above). Gross earnings of these banks registered a rise of Rs. 3.8 crores to Rs. 35.0 crores, over three-fifths (Rs. 2.4 crores) of this being accounted for by the rise in interest and discount earned. Total expenses also rose significantly—by Rs. 3.4 crores; this was made up of an increase of Rs. 1.3 crores in interest paid on deposits, borrowings, etc., Rs. 1.8 crores in establishment

expenses and Rs. 0.3 crore in other expenses. Net profits, therefore, showed an increase of only Rs. 40 lakhs.

Earnings and Expenses of Eighteen Larger Indian Scheduled Banks*

				1954 (Rs. crores)	1955	1954 (as percentage of gross earnings)	1955
1.	Gross Earnings	31.2	35.0	—	—
	(i) Interest and discount	24.0	26.4	77	75
	(ii) Other earnings	7.2	8.6	23	25
2.	Total Expenses	25.9	29.3	83	84
	(i) Interest paid on deposits	9.0	10.3	29	29
	(ii) Establishment expenses	12.6	14.4	40	42
	(iii) Other expenses	4.3	4.6	14	13
3.	Net profits	5.3	5.7	17	16

*The totals include the figures of the (former) Imperial Bank of India for the first half of 1955 and those of the State Bank of India for the second half of 1955.

CHAPTER III

DEVELOPMENTS IN BANKING ORGANIZATION AND CONTROL

The growth in the volume of banking transactions as described in the earlier Chapter was only one aspect of banking developments in India in the year under review. With the implementation of a bolder Plan, the role which the banking system will be called upon to play in the finance of increasing trade and business activity will undoubtedly be important. The financial organisation of the economy, is, therefore, being built up and strengthened so as to develop institutions appropriate to the diversified economic pattern of the future. The process of extension and improvement of the banking system has been a continuing one and each of the last few years has witnessed legislative or other measures designed to ensure wider banking facilities and better standards of operation.

In this sphere, the outstanding event of the year was the inauguration of the State Bank of India. The circumstances which led to this major step in the building up of a co-ordinated banking system may be briefly explained. A serious defect existing in the economic structure of India was the inadequate expansion of credit and banking facilities in the semi-urban and rural areas. The banks in general were eager and willing to expand their activities in the commercial centres and bigger towns, but there was a natural reluctance on their part to open offices elsewhere. As, apart from the point of view of provision of credit facilities, the opening of offices by sound banks was essential for the mobilisation of savings in the semi-urban and rural areas, the problem was engaging the attention of the Reserve Bank for some time. An effort was made to persuade the Imperial Bank to expand its activities to the desired extent. The intention was that it should, in order to carry out the necessary programme of expansion, take over as rapidly as possible all the treasuries and sub-treasuries at taluk headquarters and thereby provide credit facilities in these semi-urban areas and that a reorganised and strengthened co-operative structure should cater to the needs of the agriculturists. The Rural Banking Enquiry Committee which examined these proposals in the larger context of rural credit requirements in general recommended in 1950 that, as a beginning, the Imperial Bank should be persuaded to open 274 branches in five years. However, it was possible for the bank to open only 63 branches.

The genuine difficulty encountered by the Imperial Bank or for that matter any other commercial bank, in carrying out such an expansion programme, was that the new offices at such centres were bound to be unremunerative for several years, since these underdeveloped and undeveloped areas have comparatively a poor banking potential. The fear of the consequential losses affecting the net working results of the banks concerned and in turn necessitating a lesser return to the respective

shareholders by way of dividend, made the relative proposals unattractive to the commercial banks. It thus became obvious that some measure of state intervention and assumption of responsibility by Government was necessary to provide credit and banking facilities in these areas, without which planned development was difficult. It was the recognition of this fact which led to the acceptance of the recommendations of the All-India Rural Credit Survey Committee for the establishment of the State Bank of India. The State Bank of India Act, which was passed by Parliament in May 1955, requires the bank to establish not less than 400 additional branches within a period of five years from July 1, 1955 or such extended period as the Union Government may specify, particularly at district headquarters and sub-divisional centres. To cover the possibility of losses that the State Bank may incur in the initial stages, the Act also provides for the creation of an Integration and Development Fund out of the contributions from the Reserve Bank or Government from time to time and out of the sums payable as dividend to the Reserve Bank of India on its holding of shares.

On July 1, 1955 the State Bank of India came into being and the undertaking of the Imperial Bank of India was transferred to the new institution with the exception of the assets and liabilities of its foreign branches. The process of transfer was completed in a smooth manner; as laid down in the Act, the State Bank functions under the direction of a Central Board with three Local Boards at Bombay, Calcutta and Madras. As regards the assets and liabilities of the Imperial Bank at its foreign branches, it was felt that there might be cause for doubt regarding the recognition by foreign countries of their transfer to the State Bank. As a precautionary measure and on legal advice, it was decided to provide for the continued existence of the Imperial Bank as a corporate entity beyond July 1 to smoothen the process of transfer of its assets and liabilities abroad to the State Bank. The bulk of these assets and liabilities has since been transferred and, when the process of transfer is completed, it is expected that the Imperial Bank of India would cease to exist as a corporate body.

The transformation of the Imperial Bank of India—itsself the result of the amalgamation of the three Presidency Banks in 1921—into the State Bank of India marks a new chapter in the history of Indian banking. The objective is the setting up of a strong, State-partnered commercial banking institution with an effective machinery of branches spread out over the whole country as envisaged by the Rural Credit Survey Committee. As required by the State Bank of India Act, the bank has to establish, as mentioned earlier, not less than 400 additional branches within a period of five years or such extended period as the Central Government may specify. The exact location of these additional branches will be determined by the Central Government from time to time in consultation with the Reserve Bank and the State Bank.

Expansion
Programme of
the State Bank

As a first step in its expansion programme, a list of 100 centres covering mostly the important district and sub-treasury centres has been prepared with the approval of the Central Government and the selection of the centres has, for the time being, been confined to Part A and Part C States ; centres have not been chosen for Part B States as decisions have yet to be taken regarding the future of some State-associated banks operating in them. Incidentally, the question of the future functioning of the State-associated banks referred to in the Report of the Rural Credit Survey Committee is still under active consideration.

The State Bank will continue to undertake commercial banking functions on recognized business principles and will provide credit to industry, trade and commerce. Suitable modifications and alterations have, however, been made in its structure to adapt it, consistently with sound banking principles, to its new role in the field of rural finance. Its role in this field will be a growing one, the exact scope from time to time depending on examination and periodical review by the State Bank itself, by the Reserve Bank and by the Government. Apart from the important contribution to the rural credit structure implicit in the large programme of branch expansion, the State Bank's part in furthering rural credit may be visualised in the provision of vastly extended remittance facilities for co-operative institutions, and of financial assistance, illustratively, through purchase of debentures of land mortgage banks or through direct advances against agricultural produce or small scale industry products, and generally in co-ordinating its activities with those of co-operative institutions in a variety of ways.

It is not only in the sphere of agricultural credit that the State Bank is expected to be of assistance. With its branch net-work reaching into the interior of districts, the bank could assist in devising institutional remedies for difficulties connected with short-term finance for rural and small-scale industries. In particular, with the high priority which the Second Plan accords to the development of village and small industries, urgency is imparted to this aspect of the State Bank's developmental activities. The bulk of the credit requirements of these industries would have to be provided by institutional agencies and the State Bank has accordingly taken up with the Reserve Bank the question of planning a co-ordinated scheme of extending credit to these industries ; a ' pilot ' scheme for certain selected centres in the three circles of the bank has recently been drawn up and arrangements are now in progress to implement it. It is hoped that in the light of the experience gained in the working of the pilot projects, a general scheme of co-ordination between the various credit purveying agencies could be formulated. Meanwhile, the State Bank is arranging for the services of its branch agents to be placed at the disposal of other institutional agencies like the State Financial Corporations who have no branch organisation,

in the matter of compiling credit reports on parties and generally assisting the other institutions in their operational activities in places where they are not represented but where the branches of the State Bank operate.

Although the Imperial Bank has now been converted into a predominantly State-owned institution, the association of the State will not come in the way of the State Bank observing the general practices and usages customary among bankers; in particular, it is not permitted to divulge any information relating to the affairs of its constituents except in circumstances in which it is, in accordance with the law or practice and usage customary among bankers, necessary or appropriate for the State Bank to divulge such information. The bank is required under the Statute to act on business principles in discharging its functions though with due regard to the public interest.

Consequent to the enactment of the State Bank of India Act and in pursuance of other recommendations of the Rural Credit Survey Committee, the Reserve Bank of India Act has been amended so as to authorise the Bank to purchase or sell shares of the State Bank or any other subsidiary banks. It has also been made statutorily obligatory on the Reserve Bank to appoint the State Bank as its agent at all places in India where it has no office or branch of the banking department and where there are branches of the State Bank. A corresponding obligation has been placed on the State Bank to act as an agent of the Reserve Bank in terms of Section 32 of the State Bank of India Act. Certain other minor amendments have also been effected in the Banking Companies Act. One of them relates to certain changes in Section 51 of the Banking Companies Act so as to enable the Central Government to exempt the State Bank from such provisions of the Banking Companies Act as apply to it, as the Central Government is already able to do in respect of other banks. Another change enables the State Bank to get itself appointed as Official Liquidator of a banking company on an application by the Reserve Bank in that behalf in any proceedings for the winding up by the Court of such banking company.

✓ While the enactment of the State Bank of India Act was the most important legislative step taken during 1955 in pursuance of the Rural Credit Survey Committee's recommendations, some of the other important recommendations of that Committee were also translated into law. Thus, to enable the Reserve Bank to play an active part in the organisation of the co-operative structure and to facilitate the supply of rural credit the Reserve Bank of India Act was amended so as to provide for the setting up of the National Agricultural Credit (Long-Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

Implementation
of the Other Re-
commendations of
the Rural Credit
Survey Com-
mittee

The Rural Credit Survey Committee, on whose recommendations these changes were introduced into the organisational structure of commercial and central banking, had, it would be recalled, laid special emphasis on the growth and development of the co-operative movement and, in particular, its credit activities. Trends in the co-operative banking sector have to be viewed in this context.

Data relating to co-operative banks with paid-up capital and reserves of Rs. 1 lakh and over showed that these continued to forge ahead of non-scheduled banks both in number and in the magnitude of business handled by them. The latest figures (June 1954) of the total deposits held at Rs. 129 crores and credit extended by them at Rs. 98 crores revealed that these were about twice those of non-scheduled banks. The Reserve Bank continued to pay attention to the needs of co-operative banks and during 1955, the Bank increased its loans (outstanding) to them for financing agriculture and marketing of crops by Rs. 2.4 crores.

During the year, the total number of offices of banks recorded an increase* for the second consecutive year in the post-war period. The increase was mostly in the offices of scheduled banks which increased by 91 to 2,793. There was an increase by 1 to 66 in the offices of exchange banks, while the number of offices of non-scheduled banks declined by 28 to 1,258. 111 new offices were opened by Indian scheduled banks during the year. State-wise, 33 offices were opened in Madras, 26 in Bombay, 9 in Uttar Pradesh, 7 each in West Bengal and Delhi, 6 in Hyderabad, 3 each in Andhra and Mysore, 2 each in Bihar, Madhya Pradesh and Vindhya Pradesh, 1 each in Assam, Orissa, Punjab, Madhya Bharat, PEPSU, Rajasthan, Travancore-Cochin, Bhopal, Coorg, Cutch and Himachal Pradesh. Of the 48 offices of non-scheduled banks closed during the year, 30 offices were accounted for by banks which either went into liquidation or converted themselves into non-banking companies or otherwise ceased to function and the rest were closed by the existing banks. State-wise, the largest number of closures occurred in Travancore-Cochin (28 offices) followed by Madras (8 offices), Uttar Pradesh (6 offices), Mysore (5 offices), Bombay (4 offices), West Bengal and Tripura (3 offices each).

*The variation in the number of offices of Exchange, Other Scheduled and Non-Scheduled Banks are shown below :—

Exchange Banks		Other Scheduled Banks		Non-Scheduled Banks	
New offices opened ..	—	New offices opened ..	+ 111	New offices opened ..	+ 20
Increase due to inclusion in Second Schedule to the Reserve Bank of India Act ..	+ 1	Increase due to inclusion in Second Schedule to the Reserve Bank of India Act ..	—	Increase due to exclusion from Second Schedule to the Reserve Bank of India Act ..	—
		Existing offices closed ..	— 20	Existing offices closed ..	— 48
		Decrease due to exclusion from Second Schedule to the Reserve Bank of India Act ..	—	Decrease due to inclusion in Second Schedule to the Reserve Bank of India Act ..	—
Net ..	+ 1	Net ..	+ 91	Net ..	— 28

The State Bank's intended branch expansion programme has already been mentioned; upto June 30, 1955 the (former) Imperial Bank of India had opened 63 branches in Part A and Part C States out of the 114 it was expected to open in pursuance of the recommendations of the Rural Banking Enquiry Committee (1950). In the first six months of its working, the State Bank opened branches at 20 centres out of the 51 left over to be opened by the Imperial Bank of India. While these relate to the branches of the Imperial (now State) Bank of India, the trends in branch banking as a whole also reflected the steady widening of the area of the banking system by extension of branches into the interior of the country. It is also expected that the lead given by the State Bank will further the commercial banking development in the semi-urban and rural areas. In this regard one has only to look back to the period of the 'twenties of this century when the expansion of the offices of the Imperial Bank marked the growth in branch facilities of other commercial banks as well. Meanwhile, no efforts are being spared to make it easier for other commercial banks also to spread out into the rural areas. Remittance facilities are being liberalised and the State Bank is expected to provide considerably larger remittance facilities to co-operative and other banks. As from November 1, 1955, a scheduled or State co-operative bank can remit twice a week instead of once as before an amount of Rs. 5,000 or a multiple thereof from any place at which there is an agency of the Reserve Bank to any account which it maintains with the Reserve Bank, such remittances being permitted to each of its offices, branches, sub-offices and pay offices free-of-charge. Another factor which might be expected to facilitate banks opening offices in the semi-urban and rural areas is the fixation of lower scales of salaries for places with a population of 30,000 or less.

The scope of branch banking is greatly influenced by costs of operation—mainly by establishment charges. The problem of establishment costs is to a large extent one of salaries. In this regard, it will be recalled that the Bank Award Commission was appointed to conduct a fact-finding enquiry and make recommendations as regards further modification, if need be, of the decision of the Labour Appellate Tribunal as modified by the Government in August 1954. The Bank Award Commission submitted its recommendations towards the end of July 1955. The Commission recommended the restoration of the Labour Appellate Tribunal's Award, with certain modifications in the case of all 'A' Class banks (Indian and foreign), all 'B' Class banks, except the Bank of Bikaner and the United Bank of India, and certain 'C' Class banks. The other main recommendation was that the total exemption from the application of the Award to places with 30,000 or less population in Part B and Part C States (other than Delhi, Ajmer and Coorg) allowed in the Government's modified decision be altered and the exemption limited to such places in Travancore-Cochin only and that too in respect of banks registered in that State, except the Travancore Bank, for a period of two years from

Employer-
Employee
Relations

the date of announcement of Government's final decision on the Commission's Report. As regards such places in other States, the lower scales of pay and dearness allowance provided for Area IV (having a population of 30,000 or less) in the modified Award were to apply. The main recommendations of the Commission are given in Appendix V. Government accepted the Commission's recommendations in full on the substantive terms of reference to it and accordingly the Industrial Disputes (Banking Companies) Decision Act, 1955 was passed in September, under which the terms and conditions of the Award will remain in force for a period of five years from April 1, 1954. The Act also provides for suitable machinery to resolve points of difference or doubts which may arise between the parties as regards the interpretation of any provision of the Award.

One of the recommendations of the Bank Award Commission was that in view of the special problems of banking in Travancore-Cochin State, Government should appoint a Commission with wide powers to examine the financial position of banks incorporated in that State in relation to its economy, suggest measures for their integration and make recommendations in regard to the terms and conditions of services of their employees. This recommendation was accepted by Government and a Commission of Inquiry was set up with Shri K. Ramunni Menon as Chairman and Dr. P. J. Thomas and Prof. M. L. Dantwala as members (vide Appendix II for the Ministry of Finance notification regarding the appointment of the Commission).

While some of the measures outlined above have been undertaken with a view to building a broader and progressive institutional base, efforts continue to be made to tone up the quality and standards of the existing banking system. For this purpose, the Reserve Bank has been undertaking for the past six years a regular inspection of banking companies. The first round of inspections of practically all reporting banks has been completed and periodical re-inspection of banks has also been undertaken. The scope and intensification of inspections will become apparent from the following table for 1954 and 1955.

Bank Inspections						
Purpose	Scheduled Banks		Non-Scheduled Banks		Total	
	1955	1954	1955	1954	1955	1954
1. For considering the eligibility for a licence to carry on banking business ..	—	—	5	115	5	115
2. General purposes*	29	25	127	72	156	97
3. With the consent of banks concerned ..	1	1	4	4	5	5
4. Issuing certificate in respect of schemes of arrangement	—	—	—	1	—	1
5. Report to the Court on enquiry in relation to the affairs of the banking company which has applied for sanction of a scheme of arrangement and the conduct of its directors (Section 45(2))	—	—	2	—	2	—
6. Inclusion in the Second Schedule	—	—	1	2	1	2
7. Report to the Court on the affairs of the banking company in connection with its application for a moratorium ..	—	—	1	4	1	4
8. Issuing of certificate under Section 38(3) as to whether the banks are unable to pay their debts	—	—	—	1	—	1
9. Report to the Court and the Central Government on the affairs of the banks in liquidation	—	—	1	2	1	2
Total	30	26	141	201	171	227

*Some banks were inspected for more than one purpose.

While the general position of the banking system continues to be sound, undesirable features have been observed in the operation of some banks. Broadly, it may be stated that these undesirable features fall into two categories, namely, defective advances and investments on the one hand and deficiencies of management and control on the other. Defective advances cover generally those cases where credit has been made available without due regard being paid to the safety or liquidity of the proposition. Thus, in some cases, a high proportion of advances has been granted on an unsecured basis without taking into account the borrowers' resources and ability to repay, while in others advances have been granted against securities such as real estate and fixed assets which are not readily realisable. Furthermore, it has been observed that some banks while granting advances do not take the necessary precautions in respect of the proper documents, maintenance of up-to-date credit reports on their borrowers, insurance of goods, properties etc. against risk of fire, and taking proper legal opinion on the title of the borrowers' property lodged as security, etc. Deficiencies of management and control have in many cases stemmed from an indifference of the directors to their responsibilities. In some cases, deficiency of control has also taken the form of inadequate branch supervision. Many of these defects, such as those mentioned above, occur more frequently in the case of non-scheduled banks ; it is in this class of banks again that another fairly common weakness is noticed in that a satisfactory level of reserves is not always maintained. Though Section 17 of the Banking Companies Act requires statutory reserves to be built up by banking companies, a number of small non-scheduled banks have poor reserves, the strengthening of which may take some time in view of their small resources and moderate earning capacities. Another defect which has been commonly observed relates to their very low level of investments in Government securities and inadequate provision for investment depreciation.

These defects are gradually being rectified though they have not yet been completely eliminated. However, inspections of banks and the advice given by the Reserve Bank in following up the inspections have tended to bring about a change for the better. Steps are being taken by the management of many banks to conform to the normal standards and banks are, in general, receptive to the advice of the Reserve Bank and in many cases have taken action to set their affairs right.

This, however, will necessarily be a gradual process. Meanwhile, the Reserve Bank has, in those cases where such defects have been noticed in an inspection designed to assess eligibility of banks for licences, postponed taking any decision so as to give the banks concerned a fair chance to qualify for the licence and, in a number of cases licences have been given after improvement has been recorded. In certain cases, however, where it has been found that no improvement has been effected and the affairs of the banks were beyond repair, action has had to be taken by the Reserve Bank and licences have been refused.

Inspections are, undoubtedly, useful as a corrective to unsound banking methods and practices. However, action on the preventive side also would be necessary. It is from this point of view that the merit of the Bankers Training College which has been functioning for over a year now will have to be assessed. It is hoped that the training imparted at this College would benefit executives of the banks attending the courses and would be conducive toward an improved standard of operation and better maintenance of books and records, especially in the case of smaller banks.

During the year licences were issued to 12 Indian scheduled banks under Section 22 of the Act to carry on banking business in India. The total number of licences issued thus stood at 46. Besides these, there are four banks namely the State Bank of India and three other major State-associated banks to which the provisions of Section 22 of the Banking Companies Act are not applicable. The deposits of the 50 banks, as at the end of the year, aggregated Rs. 980.9 crores which accounted for 90.8 per cent of the total deposits of banks (both scheduled and non-scheduled) in India.

Fourteen non-scheduled banks were refused licences as their affairs were being conducted in a manner detrimental to the interests of their depositors, thus bringing the total number of such banks to 30. The applications of 422 banks were pending as at the end of the year.

One of the structural weaknesses of the Indian banking system, and in particular of its non-scheduled sector, has been the existence of a large number of small and often uneconomic units. Amalgamations of these small units would be one method by which a certain degree of strength could be imparted to them. Initiative in this respect has, however, to come from the banks themselves and the Reserve Bank is generally willing to give due assistance to the parties concerned in putting through any merger or amalgamation scheme into effect. In its assessment of any proposals, the Reserve Bank, naturally, pays due regard to the interests of the depositors which obviously should be the prime concern. However, the Reserve Bank's prior approval is necessary before any merger or amalgamation is given effect to.

A major factor which should normally be in favour of amalgamation of banking units is the eventual rationalisation of branches and staff with the resultant economy in working costs. But the attitude of the public towards the problem of unemployment and under-employment which is attracting a great deal of attention in the country and the necessity of maintaining cordial relations with labour as also the effects of labour legislation have made the prospects of any such reduction of staff remote even in the event of an amalgamation. Further, the Bank Award classifies banks into different categories and if as a result of amalgamation, the new unit

falls into a higher class than that of any of the amalgamating units, the costs are likely to rise. Heavy compensation is also payable to staff, which may be rendered surplus and may have to be consequently retrenched. The above factors make amalgamations rather an unattractive proposition to banks and as the initiative in this regard has necessarily to come from the banks themselves, the progress in the field of amalgamation has been comparatively slow. A proposal for amalgamation which was pending at the end of last year could not materialise as the scheme, on examination, did not appear to be in the interest of the depositors and later the scheme itself was dropped by the banks. Another proposal for the amalgamation of a non-scheduled bank with a scheduled bank was, however, under consideration by the banks concerned at the end of the year.

An alternative to amalgamation is to be found in schemes involving the transfer of certain assets and liabilities of banking companies. This is usually preferred in cases where amalgamations are not considered desirable or feasible. Though such proposals do not fall within the purview of Section 44-A of the Banking Companies Act and consequently do not require the approval of the Reserve Bank before being put through, the Bank keeps itself acquainted with such developments and informally tenders suitable advice and assistance to facilitate such fusion wherever it is found desirable. During the year there were three such proposals relating to certain banking companies (including a foreign bank working in the former French territories in India) which were given effect to after the banks concerned were advised that the Reserve Bank had no objection to the transfer.

<p>Schemes of Arrangement</p>	<p>In the year under review, schemes of arrangement of three non-scheduled banks were referred to the Reserve Bank for certificates under Section 45 (I) of the Banking Companies Act. None of the schemes was found feasible and certificates were, accordingly, not issued to any of the banks. Of these, two banks have since gone into liquidation. Another non-scheduled bank, which proposed to enter into a scheme of arrangement with its creditors and shareholders, was advised to submit the scheme to the Reserve Bank for consideration after it had been approved by its creditors and shareholders in terms of Section 153 of the Indian Companies Act, 1913.</p>
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<p>Liquidation</p>	<p>During 1955, 15 banks (all of them non-scheduled) went into liquidation or were ordered to be wound up. Of these, 9 banks (5 in the Trivandrum area, 2 in the Madras area and 1 each in the Bombay and Kanpur areas) went into voluntary liquidation. As no licence under Section 22 had been issued to any of them, they were not required to obtain certificates from the Reserve Bank under Section 44 of the Banking Companies Act before going into liquidation. The remaining 6 banks (3 each in Bombay and Trivandrum areas) were ordered to be wound up by the Court. During the year, 561 returns, under Section 45R of the Banking Companies Act, had been submitted by liquidators of 106 banking</p>
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companies. These were scrutinised with a view to ensuring that there were no inconsistencies in them, that the legal requirements were complied with, and that the liquidation proceedings were not unduly delayed. Questionnaires were also issued to liquidators of banks for obtaining information regarding the steps taken by the liquidators to expedite the liquidation proceedings and especially to realise assets and certain other claims. During the course of the year, inspection reports on 3 banks in liquidation were furnished to the Central Government and the High Courts concerned under Section 45 (Q) of the Act.

Three non-scheduled banks suspended payment during the year. None of them had applied to the Court for the grant of a moratorium till the close of the year. The question of applying for the winding up of one of them is under consideration; regarding the other two, one is taking steps to enter into a scheme of arrangement with its creditors while in regard to the other the Registrar is contemplating action for winding it up.

Suspension of
Business

The other activities of the Bank under the Banking Companies Act, 1949 are briefly indicated in the following paragraphs. Statement 37 (Appendix I) shows the progress of action taken in the course of the administration of the Act.

Enforcement
and Action
Under Other
Sections of the
Act.

At the end of last year, 38 banks were taking suitable action to comply with the requirements of Section 7 of the Act. Of these, the name of one bank was struck off by the Registrar of Companies from the register of banks while the remaining 37 banks were taking steps to comply with the provisions of the Section.

In addition to the 23 banks which contravened the provisions of Section 10 (1) (c) (i) and/or (ii) as at the end of the previous year, 14 more banks were reported to have contravened the provisions of the Section during the year. Of these 37 banks, 5 regularised their position and 2 went into voluntary liquidation. The remaining 30 banks were taking suitable steps to regularise their position.

During the year, 8 banks were found to have declared dividends before completely writing off capitalised expenses, in contravention of Section 15. The contraventions were brought to the notice of the banks and they were asked to ensure compliance with the requirements of the Section in future.

Of the 9 banks which contravened the provisions of Section 16 relating to the interlocking of directorates as at the end of previous year, one bank regularised its position while the remaining 8 banks were taking suitable steps in the matter.

Twenty-nine banks contravened the provisions of Section 17 relating to the transfer of 20 per cent of the net profits to the reserve fund. On the contraventions being brought to their notice, the banks decided to make up the deficiency from the surplus funds during the year or from the next year's profits.

A few cases of banks contravening the provisions of Section 19 (2), which relates to restrictions on the holding of shares of companies, were detected in the course of inspections; these were brought to the notice of the banks and were regularised by them without delay. The two banks mentioned in the previous year which were granted time up to December 31, 1954 to comply with the provisions of the Section were granted further time up to June 30, 1956. The exemption granted to two other banks up to November 30, 1955 and December 31, 1955 was extended to November 30, 1956 and December 31, 1957, respectively. Another bank was also exempted from the provisions of the Section up to July 31, 1956.

Section 29 requires banks to draw up their balance sheets in Form 'A' set out in the Third Schedule to the Act. As stated in the previous Report, all banks were exempted until January 1, 1956 from the provisions of note (f) of the above Form in respect of the disclosure within brackets of market value of their investments in Government securities.

During the year, 9 banks contravened the provisions of Section 29 in not preparing their accounts in conformity with the prescribed form. The contraventions were brought to the notice of the banks and they were advised to comply with the provisions in future.

In terms of the proviso to Section 31 of the Banking Companies Act, a number of banks were allowed a further period up to three months to submit their balance sheets and profit and loss accounts, while some smaller banks (in respect of which it appeared that the cost of publication would be disproportionate to their resources) were exempted from the provisions of Section 31 which relate to the publication of balance sheets.

CHAPTER IV

BANKING IN THE NATIONAL ECONOMY

The developments in banking organisation and control have been described in the previous Chapter. It is gratifying to note that by exercise of the powers under the Banking Companies Act and particularly as a result of the periodic inspections of banks and the timely and appropriate measures taken by the Reserve Bank, the position in general of banks as well as banking in India has been steadily improving. In spite of the formidable organisational and other difficulties in regard to training of personnel etc., the Reserve Bank has not only completed the first round of inspections of the 453 reporting banks but has also re-inspected 247 of these banks more than once. As a result of following a cautious policy and the insistence on a fairly high standard of financial soundness on the part of banks before they are considered eligible for a licence in terms of Section 22 of the Act, a substantial measure of improvement has been effected in the banking system during the last five years. As stated earlier, the deposits of the licensed banks together with those of the State Bank of India and three major State-associated banks aggregated Rs. 980.9 crores, accounting for over 90 per cent of the total deposits of all scheduled and non-scheduled banks in India. An effective surveillance over the banks which are still to be licensed is being maintained and the rectification of the defects observed in their working actively pursued, thus forcing them to improve their affairs and qualify for a licence. Some of these banks are working under suitable conditions imposed on them by the Reserve Bank, which include replacement of the chief executive officer by a suitable person and the appointment of a Banking Adviser, curtailment of the powers of particular persons on the Board of Directors, the recalling of any advance or group of advances which have undesirable features as well as restrictions on the grant of further advances. As a result of the various regulatory and remedial measures taken by the Reserve Bank a gradual improvement in the financial position as well as methods of operation of a number of the unlicensed banks is being achieved. The measure of progress shown in this connection is reflected in Statement 38 showing the comparative position with regard to the various features which required correction. Reserves are being built up, outstanding borrowings in chronic cases are being reduced, liquid assets have been considerably augmented and the position regarding the disproportionate extent of unsecured advances and those against real estate is being appreciably improved. Even in regard to the irregular and sticky advances, positive improvement is discernible. Thus, although defects do still exist in the working of certain banks, the various corrective measures already taken are gradually bearing fruit and the banking system in this country has been steadily improving.

The developments in banking activity and banking structure that have been described in the two preceding Chapters may now be viewed in the context of the demands that might be made on the banking system during the period of the Second

Five-Year Plan. Banks would have to play a more significant role in regard to an extension of both their area of operations and range of functions. Development on these lines would imply the opening of more offices and extending the range of their activities.

In the previous Chapter, it was explained how attempts are being made to correct the lopsided branch distribution of Indian banking with its concentration in the towns through a programme of branch expansion of the State Bank of India and the enlargement of facilities for remittance of funds. The growth of banking in some under-developed countries has been encouraged through the central bank itself undertaking the provision of commercial banking facilities and opening offices at different places for the purpose. At times, even grant of subsidies to make the new offices of commercial banks remunerative has also been advocated. What is being attempted in India has elements of both the above methods. The State Bank, as has been described earlier, works in close co-operation with the Reserve Bank and in the Integration and Development Fund maintained by that bank is to be found an element of subsidy for uneconomic branches. The need for opening branches in the interior is not only related to extending credit facilities in those areas but also to mobilizing rural savings to help the financing of economic development. With the growth of agricultural production and incomes as envisaged under the Second Five-Year Plan there would be greater scope for both. The expansion of the monetised sector would also entail a higher level of money supply, not only in absolute amount but also relative to national income. While the predominance of currency in circulation would indicate that the larger portion of the increase in money supply would be in that form, the branch expansion of the banking system and the greater degree of organization in marketing, warehousing and other trading activities throughout the country are likely to lead to an appreciable growth in the deposit component of money supply also.

The other line of approach to extend the benefits of banking over a larger area is to widen the range of its functions. Production credit for agriculture is still insignificant as a proportion of the total volume of credit of Indian banks. With the establishment of the integrated credit structure as contemplated by the Rural Credit Survey Committee, the position would doubtless improve. While the major emphasis in the provision of rural credit would be on the co-operative banking system and the State Bank, the importance of the role which other banks, more particularly the smaller (regional) banks, could also play in this sphere cannot be minimised. These latter banks have been providing some assistance even now and an expansion of this activity would depend not only on an enlargement of their resources through a rise in their deposits and access to central money market funds, but also on sound management and stability of working. Another sector which has hitherto suffered from a paucity of credit facilities is the small-scale industries sector. The importance given to these industries in the Plan emphasizes the necessity for steps to improve the credit facilities here also.

Steps in this direction are already being taken in the establishment of State Financial Corporations and the provision of assistance under the State Aid to Industries Acts or Rules. As far as banks are concerned, it is a question of adaptation of banking practices to meet their needs rather than a wholesale departure from existing banking traditions. In this matter, the State Bank has taken the lead and in consultation with the Reserve Bank has drawn up 'pilot' projects for providing credit to small-scale industries in selected centres. Viewed broadly, the problem is one of collaboration between the various agencies in the field and of co-ordination of their activities. This matter is receiving the active attention of the authorities concerned.

The Second Five-Year Plan would naturally entail also an expansion in the magnitude of even that type of banking business which is now being performed, viz., the provision of working capital requirements to trade and industry. In this connection it would be useful to recapitulate the experience during the period of the First Five-Year Plan. The Plan had estimated that Rs. 158 crores would be forthcoming from banks and other sources of short-term finance to cover working capital requirements of industry ; it might be presumed that a substantial portion of this was expected to be provided by the banking system. In fact, however, in the five years from December 1950, industrial advances have risen by Rs. 68 crores and commercial advances by Rs. 77 crores. This performance cannot be said to have been inadequate because the volume of credit itself was at an inflated level about the time of the framing of the Plan estimates and since then there was a reduction in credit totals following the revision of monetary policy in November 1951 and a subsequent increase under the impetus of industrial and general economic expansion. Further, estimates of working capital needs are, as the First Five-Year Plan itself states, subject to a variety of influences like trends in foreign trade, the mobility of funds within the money markets, the degree of activity in the speculative markets and other factors affecting relative prices and the flow of funds. In the Second Five-Year Plan, the figure of investment in stocks in the private sector would be much higher than in the First Plan ; of this, it may be expected that a substantial portion would have to be met from the banking system. The ability of banks to meet these additional credit requirements would depend upon an adequate expansion of their resources. It was mentioned earlier that with the stepping up of the pace of economic development and, particularly with larger resort to deficit financing than hitherto, the level of deposits is bound to go up further.

The deposit expansion would, however, place greater responsibilities on the banks themselves. While the power of regulation and control which the Reserve Bank has, would doubtless prevent the growth of mushroom banks and indiscriminate branch expansion as was witnessed during the War years with the consequent unfortunate results, bankers themselves should make every effort to use their resources in a manner which not only brings profit to them but which accords with the priorities laid down in the Plan. To this end, it is essential that bank managements should

remain alert ; it was mentioned in an earlier Chapter how deficiencies of management formed one of the main weaknesses in the smaller units of banking. The position in this regard has shown some improvement with the institution by the Reserve Bank of its regular inspections and scrutiny of banks' practices ; simultaneously, the establishment of the Bankers Training College in which so far over 160 executives of banks have received instructional courses would also be a contributory factor in inculcating better standards of management. The importance of sound management is of particular relevance in a period of sizeable increase in bank resources and the wider opportunities for credit expansion which the growth of the economy would open out. The emphasis in banks' credit policies should be rather more on channelling finance for desirable purposes and to limit extension of credit to the genuine requirements of trade and business. It would be necessary for banks to avoid adopting methods to attract business which cannot but fail to have deleterious effects on the system in general and affect the position of individual units. Further, even in regard to building up their deposits banks would have to observe caution ; it has recently been noticed that some banks have bid up deposit rates which, if carried beyond limits, would adversely affect the system as a whole.

The expansion in resources would naturally have a favourable effect on bank earnings. It would be necessary for banks to make a judicious use of their earnings by way of adding to their reserves. Where reserves are at present inadequate, this would be imperative, and even where they may appear to be adequate now, prudence would require them to be strengthened further, so as to help inculcate confidence in the system which, in the last resort, is the only guarantee for a proper and orderly growth of banking.

APPENDIX I

STATEMENTS

Introductory Note

The statements in this Appendix are based on the various returns received periodically in terms of the Reserve Bank of India Act, 1934 and the Banking Companies Act, 1949 (which was extended to the whole of India, except the State of Jammu and Kashmir, on March 18, 1950) as well as on returns specially called for and other available information. The figures from year to year, and even the figures for the same year compiled from different returns, are not strictly comparable owing to differences in coverage, both as regards area as well as items included. The number of banking companies submitting returns tended to increase as a result of the extension of the Indian Companies Act, 1913 to most of the merged States in January 1950, to certain Part C States in April 1950, to one other merged State in January 1951 and to Part B States in April 1951. However, the Banking Companies Rules became applicable to certain Part B States only in November 1952 ; Statements based on Form XIII, therefore, exclude data for banks working wholly in Part B States upto 1951. The number of banking companies submitting returns also varied on account of changes in the classification of companies into banking and non-banking, the suspension of business by some banks or irregular submission of returns by others. The limitations of the data have as far as possible been explained in appropriate footnotes to the respective statements. Statements based on data obtained from returns under the Reserve Bank of India Act and the Banking Companies Act are indicated below :

Reserve Bank of India Act		Banking Companies Act	
Statement No.	Section	Statement No.	Section
1	53	5, 6, 8, 9, 11, 17 and 18	27(1)
2	17 and 18	10	26
3	42(2)	12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 33	27(2) 23

Where necessary, each figure has been rounded off to the nearest final digit. For this reason in some statements the sum of the constituent items may not agree with the total as shown. Where the last Friday of the month or year happened to be a holiday the figures shown relate to the previous working day.

The following symbols have been used :

- .. = Figure is not available.
 — = Figure is nil or negligible.

A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable and the nature of the difference is indicated in a footnote.

STATE LIABILITIES AND ASSETS OF (Issue and Banking)

LIABILITIES									
Deposits									
	Capital and re- serves 1	Notes in circu- lation 2	Central Govern- ment 3	Other Govern- ments 4	Banks 5	Others 6	Total 7	Other liabi- lities 8	Total liabi- ties or assets 9
Average of Fridays									
1949	10.0	1,137.7	152.8	20.3	67.4	65.5	306.1	39.7	1,493.5
1950	10.0	1,145.0	144.9	21.1	63.0	61.5	290.6	36.0	1,481.6
1951	10.0	1,205.7	173.4	16.2	60.5	68.6	318.7	42.7	1,577.1
1952	10.0	1,122.6	146.0	9.4	53.2	63.0	271.5	51.5	1,455.7
1953	10.0	1,121.8	121.0	18.7	47.5	59.7	246.9	48.9	1,427.6
1954	10.0	1,178.8	97.7	21.7	52.1	42.2	213.8	46.1	1,448.8
1955	10.0	1,299.0	59.6	20.0	53.4	21.4	154.4	48.0	1,511.4
1955-Friday									
January	7	10.0	1,219.3	53.0	11.1	63.8	34.4	162.3	36.5
"	14	10.0	1,224.5	55.5	13.9	60.3	33.9	163.6	32.6
"	21	10.0	1,219.5	53.4	16.2	63.6	33.7	166.9	38.2
"	28	10.0	1,217.7	54.0	20.8	58.1	34.1	167.0	40.1
February	4	10.0	1,231.8	48.8	19.4	54.9	34.2	157.2	36.2
"	11	10.0	1,242.6	52.6	11.1	48.8	34.0	146.5	37.4
"	18	10.0	1,241.2	51.7	14.1	51.1	34.1	151.0	40.2
"	25	10.0	1,242.0	51.9	22.7	48.4	34.3	157.2	40.6
March	4	10.0	1,265.6	52.6	18.6	46.1	22.1	139.5	37.2
"	11	10.0	1,281.2	55.2	18.5	48.5	21.7	143.9	39.3
"	18	10.0	1,277.2	68.0	53.4	47.7	22.1	191.2	45.3
"	25	10.0	1,277.1	59.5	60.3	47.7	21.5	189.0	45.8
April	1	10.0	1,291.6	65.0	61.6	46.3	21.8	194.7	44.3
"	8	10.0	1,322.8	57.8	30.2	44.9	21.5	154.4	40.4
"	15	10.0	1,325.3	55.4	24.3	50.5	21.4	151.6	48.7
"	22	10.0	1,316.1	53.1	30.4	48.3	22.7	154.5	58.9
"	29	10.0	1,310.8	51.0	35.0	48.7	22.8	157.5	63.7
May	6	10.0	1,329.3	50.1	23.2	47.2	22.1	142.6	44.6
"	13	10.0	1,331.1	51.9	19.2	48.0	22.3	141.5	45.4
"	20	10.0	1,322.4	55.2	15.0	50.9	22.1	143.2	58.1
"	27	10.0	1,316.1	54.6	14.2	49.5	21.8	140.0	65.5
June	3	10.0	1,325.0	52.2	14.8	46.7	21.9	135.6	56.1
"	10	10.0	1,331.3	55.4	11.6	48.9	21.7	137.6	50.5
"	17	10.0	1,321.2	57.1	11.8	49.9	22.2	141.0	64.3
"	24	10.0	1,310.8	57.8	11.2	54.5	21.8	145.4	76.2
July	1	10.0	1,312.7	59.0	12.3	46.1	35.7	153.1	58.6
"	8	10.0	1,321.6	84.1	17.7	46.9	14.9	163.5	47.9
"	15	10.0	1,310.8	81.7	20.0	52.3	14.8	168.9	60.3
"	22	10.0	1,298.0	79.6	18.9	53.3	14.7	165.5	65.9
"	29	10.0	1,291.5	80.2	20.2	54.5	15.1	170.0	74.6
August	5	10.0	1,305.8	76.7	10.9	48.5	15.7	151.8	60.7
"	12	10.0	1,307.1	75.0	9.4	53.7	15.7	153.9	58.6
"	19	10.0	1,298.0	91.0	25.9	51.8	33.4	202.1	55.2
"	26	10.0	1,285.1	104.6	36.4	51.4	16.3	208.7	54.0
September	2	10.0	1,293.0	64.4	40.2	55.0	18.9	178.4	40.6
"	9	10.0	1,301.7	58.5	13.9	48.4	16.4	137.2	32.7
"	16	10.0	1,293.4	62.0	13.4	52.9	16.6	144.8	45.5
"	23	10.0	1,285.7	58.9	12.2	58.5	16.3	146.0	49.5
"	30	10.0	1,280.2	58.0	11.6	62.8	16.4	148.8	55.5
October	7	10.0	1,301.5	51.2	9.6	67.3	16.4	144.3	33.7
"	14	10.0	1,302.4	51.8	29.1	61.9	15.9	158.6	34.1
"	21	10.0	1,303.3	48.3	25.5	57.6	15.9	147.3	35.9
"	28	10.0	1,305.9	49.3	30.2	57.7	15.8	153.1	43.8
November	4	10.0	1,317.5	54.7	18.8	59.1	15.5	148.0	40.5
"	11	10.0	1,332.2	56.8	14.3	53.6	15.3	139.9	42.1
"	18	10.0	1,334.7	53.1	13.7	57.5	15.6	139.9	41.5
"	25	10.0	1,323.8	55.1	12.4	63.9	15.5	146.9	51.7
December	2	10.0	1,335.7	51.4	10.2	62.4	15.5	139.4	46.1
"	9	10.0	1,350.9	54.2	6.0	57.9	15.7	133.8	41.8
"	16	10.0	1,350.0	60.1	7.5	56.0	16.8	140.4	43.5
"	23	10.0	1,351.6	51.0	8.0	55.2	16.1	130.2	44.9
"	30	10.0	1,362.0	54.0	10.6	57.9	15.8	138.3	48.2

Note :—Figures are net of adjustments on account of (i) transfer of liabilities to the State Bank of Pakistan in respect of inscribed Pakistan notes issued during 1948 and (ii) cancellation of India notes returned from circulation in Pakistan under Section 4(2) of Part IV of the Pakistan (Monetary

MENT I
THE RESERVE BANK OF INDIA, 1947-55
Departments combined

33

(Amount in crores of rupees)

ASSETS								
Gold coin and bullion@	Foreign assets†	Rupee coin*	Notes	Rupee securities	Loans & advances to		Bills purchased and discounted	Other assets
10	11	12	13	14	Governments	Others	17	18
40.1	859.3	48.6	24.2	500.8	3.7	7.9	4.9	4.1
40.0	829.4	56.3	18.4	520.8	2.2	7.3	2.8	4.3
40.0	838.4	61.1	24.7	583.1	5.2	9.5	6.7	8.4
40.0	706.0	76.7	29.2	552.8	3.5	26.5	4.5	16.5
40.0	712.4	90.2	23.6	525.8	2.4	16.4	9.3	7.3
40.0	738.2	100.3	23.2	502.5	1.2	27.1	8.2	8.2
40.0	721.5	106.7	17.4	570.1	1.4	29.4	9.2	15.7
40.0	730.1	104.5	15.8	502.2	2.8	18.3	4.8	9.7
40.0	729.8	104.4	10.4	509.6	2.7	20.0	4.0	9.8
40.0	733.3	104.6	15.7	508.3	1.8	18.6	2.5	9.8
40.0	729.6	104.8	17.6	507.7	0.8	20.0	2.5	11.8
40.0	734.9	104.1	12.8	507.2	1.0	21.3	2.2	11.9
40.0	732.4	103.4	11.4	511.8	1.2	21.8	2.2	12.0
40.0	731.7	103.5	13.0	516.0	1.2	20.5	1.9	14.5
40.0	728.7	103.9	12.6	514.7	0.9	24.2	4.5	20.3
40.0	731.4	102.1	7.3	513.5	1.2	28.6	7.4	20.7
40.0	730.9	101.3	10.7	524.0	1.2	37.4	7.9	20.9
40.0	732.1	101.9	15.3	557.6	0.5	46.3	8.7	21.2
40.0	730.0	102.5	15.9	553.3	0.5	47.9	10.4	21.4
40.0	724.7	102.3	11.2	581.5	—	48.1	10.6	22.0
40.0	725.9	105.6	8.4	581.0	1.2	30.9	12.3	22.2
40.0	725.3	105.5	15.7	579.9	0.3	33.9	12.6	22.4
40.0	720.2	106.0	25.5	577.4	0.2	35.2	12.7	22.5
40.0	715.2	106.4	31.2	575.3	0.9	35.5	12.0	25.5
40.0	715.7	104.2	10.5	575.2	0.8	40.5	12.0	27.4
40.0	714.0	104.1	8.5	575.2	0.8	44.5	11.7	29.1
40.0	715.6	104.3	17.5	575.0	0.8	40.5	10.9	29.3
40.0	710.4	104.6	24.0	575.5	0.8	35.8	11.2	29.2
40.0	712.1	103.7	14.3	584.4	0.8	29.4	12.2	29.7
40.0	718.1	103.9	8.2	584.2	1.4	29.6	14.1	29.8
40.0	716.6	104.7	19.0	582.7	1.1	28.6	14.0	29.7
40.0	716.0	105.6	30.3	581.5	0.8	26.8	10.8	30.6
40.0	713.9	105.7	28.6	590.2	0.9	37.2	12.0	6.0
40.0	715.4	105.2	19.2	604.9	0.9	41.7	10.0	5.9
40.0	716.4	106.2	30.9	604.9	0.8	35.5	9.4	5.9
40.0	716.7	107.8	30.3	604.9	0.8	25.4	8.6	6.0
40.0	717.1	108.6	37.7	605.1	1.0	22.5	7.8	6.3
40.0	719.3	107.7	22.5	605.3	0.9	19.6	7.7	5.3
40.0	719.0	107.9	21.3	605.7	3.6	18.7	8.1	5.3
40.0	722.3	108.8	31.4	606.1	2.4	33.4	11.5	9.3
40.0	717.5	110.2	30.7	606.3	0.8	28.7	12.3	11.1
40.0	719.9	109.7	22.3	572.1	0.3	33.8	12.6	11.4
40.0	721.0	109.4	13.4	542.7	0.4	29.5	13.5	11.5
40.0	720.0	110.4	22.7	543.2	0.7	30.8	14.3	11.6
40.0	721.4	111.5	26.4	538.6	1.8	26.0	13.7	11.7
40.0	719.5	112.2	32.6	538.8	2.0	23.1	14.3	12.0
40.0	716.4	110.7	9.9	563.9	2.7	22.1	11.9	12.0
40.0	718.7	111.0	9.2	583.9	0.4	20.9	8.9	12.1
40.0	712.5	111.3	8.7	584.0	—	19.4	8.2	12.2
40.0	712.4	111.3	16.0	593.9	—	19.6	7.2	12.4
40.0	709.0	110.0	13.0	603.8	1.0	21.1	5.8	12.4
40.0	713.3	109.2	12.5	598.7	2.8	27.0	8.4	12.3
40.0	717.9	109.0	9.9	598.6	3.1	25.9	9.6	12.1
40.0	719.7	109.9	21.6	598.7	1.9	22.7	5.8	12.2
40.0	718.3	109.1	14.0	604.0	2.0	25.4	5.8	12.5
40.0	716.6	108.3	7.8	614.0	3.8	26.5	6.8	12.5
40.0	728.2	108.6	9.0	604.1	5.1	29.7	6.6	12.7
40.0	736.2	108.8	7.8	584.1	5.3	32.2	9.2	13.0
40.0	735.2	108.6	12.0	589.2	3.7	44.6	12.1	13.1

System and Reserve Bank) Order, 1947 as amended. Figures from October 1951 are net adjustments made in respect of India notes returned from circulation in Aden.

@ Valued at the statutory rate of Rs. 21-3-10 per tola.

† Include cash and short term securities.

* Includes one rupee notes and subsidiary coin.

STATE ADVANCES OF THE RESERVE BANK TO SCHEDULED

Year	No. of loans	Section 17 (2) (a)	Section 17 (2) (b)	Section 17 (2)	Section 17 (4) (a)		
		Scheduled banks	State Co- operative banks	Total	Scheduled banks	State Co- operative banks	Total
1	2	3	4	5	6	7	8
1945	.. 27	—	—	—	1,75	—	1,75
1946	.. 91	—	2	2	24,70	30	25,00
1947	.. 80	—	2	2	3,08	—	3,08
1948	.. 153	—	4	4	21,26	1,17	22,42
1949	.. 401	—	1,21	1,21	34,76	5,73	40,49
1950	.. 478	—	2,14	2,14	13,41	2,30	15,71
1951	.. 570	—	1,49	1,49	76,57	5,29	81,86
1952	.. 1,544	—	97	97	164,25	3,59	167,83
1953	.. 2,683	—	31	31	129,58	6,46	136,04
1954	.. 3,747	—	60	60	188,70	9,43	198,13
1955	.. 4,209	—	52	52	199,94	10,80	210,74
1955-Monthly							
January	.. 314	—	—	—	12,79	50	13,29
February	.. 426	—	1	1	16,48	46	16,94
March	.. 442	—	7	7	31,70	44	32,14
April	.. 277	—	7	7	10,87	42	11,29
May	.. 333	—	4	4	14,47	1,60	16,07
June	.. 287	—	31	31	4,40	2,18	6,58
July	.. 268	—	—	—	10,54	1,08	11,62
August	.. 399	—	2	2	27,43	1,99	29,42
September	.. 350	—	—	—	13,26	34	13,60
October	.. 296	—	—	—	8,81	59	9,40
November	.. 389	—	—	—	17,44	61	18,05
December	.. 428	—	—	—	31,75	59	32,34

Note :—The sections relate to the Reserve Bank of India Act, 1934.

MENT 2

BANKS AND STATE CO-OPERATIVE BANKS, 1945-55

(Amount in lakhs of rupees)

Section 17 (4) (b)		Section 17 (4) (c)		Section 17 (4A)*	Section 17 (8)	Section 18(1)(3)	Grand Total		
Sched- uled banks	Sched- uled banks	State Co-ope- rative banks@	Total	State Co-ope- rative banks	Sched- uled banks	Sched- uled banks	Sched- uled banks	State Co-ope- rative banks	Total
9	10	11	12	13	14	15	16	17	18
—	—	—	—	—	—	—	1,75	—	1,75
—	—	1	1	—	—	—	24,70	33	25,02
—	—	—	—	—	—	—	3,08	2	3,09
—	—	2	2	—	—	76	22,02	1,22	23,24
—	—	—	—	—	—	85	35,61	6,94	42,55
7	—	95	95	—	—	24	13,72	5,38	19,10
—	—	2,66	2,66	—	—	—	76,57	9,43	86,00
—	81,45	6,50	87,95	—	—	—	245,70	11,05	256,75
—	65,84	6,69	72,53	—	—	—	195,42	13,46	208,88
—	147,52	6,89	154,41	—	—	—	336,22	16,92	353,14
—	225,44	10,26	235,70	51	—	—	425,38	22,09	447,47
—	3,79	99	4,78	—	—	—	16,58	1,49	18,07
—	7,25	91	8,16	20	—	—	23,73	1,58	25,31
—	34,24	52	34,76	—	—	—	65,94	1,03	66,97
—	27,60	29	27,89	—	—	—	38,47	78	39,25
—	39,01	46	39,47	—	—	—	53,48	2,10	55,58
—	23,27	62	23,89	7	—	—	27,67	3,18	30,85
—	36,08	93	37,01	7	—	—	46,62	2,08	48,70
—	15,09	1,61	16,70	10	—	—	42,52	3,72	46,24
—	7,60	1,15	8,75	5	—	—	20,86	1,54	22,40
—	3,07	87	3,94	2	—	—	11,88	1,48	13,36
—	10,41	88	11,29	—	—	—	27,85	1,49	29,34
—	18,03	1,03	19,06	—	—	—	49,78	1,62	51,40

@Include amount advanced against bills eligible under Section 17(2) (a).

* Since January 1955, advances to State Co-operative banks are granted under Section 17(4A) of the Reserve Bank of India (Amendment) Act, 1953.

STATE CONSOLIDATED POSITION OF

Average of Fridays		No. of report- ing banks (a)	Demand liabili- ties	Time liabili- ties	Total liabili- ties	Borrowings from banks(b)		Net liabili- ties (5-6-7)	Borrowings from the Reserve Bank			Borrow- ings from the State Bank@ and/or a notified bank†
						Demand	Time		Against usage bills and/or promis- sory notes	Others	Total	
1		2	3	4	5	6	7	8	9	10	11	12
1949	..	95	609.8	279.9	889.7	27.7	0.2	861.8		7.2	7.2	
1950	..	93	595.2	273.7	868.9	20.2	1.3	847.4		5.7	5.7	
1951	..	94	604.5	288.8	893.3	23.4	0.5	869.4		4.7	4.7	
1952	..	93	556.7	300.8	857.5	16.7	3.1	837.7	8.8(f)	10.6	19.0	4.7(g)
1953*	..	90	528.4	323.8	852.1	12.3	2.2	837.6	3.3	4.5	7.8	7.2
1954*	..	88	555.8	348.4	904.1	9.6	2.0	892.5	7.7	8.3	16.1	7.8
1955	..	89	596.9	397.9	994.8	10.2	3.6	981.0	13.8	3.9	17.7	5.8
1955—Friday												
January	7	..	88	572.1	367.3	939.4	10.8	3.2	925.4	3.4	6.7	3.5
	14	..	88	572.5	367.2	939.6	9.3	2.9	927.5	3.5	8.2	3.9
	21	..	88	582.8	368.6	951.4	10.6	2.8	937.9	3.1	6.7	3.9
	28	..	88	579.9	370.4	950.4	10.2	2.9	937.2	3.6	8.2	4.2
February	4	..	88	582.0	369.1	951.1	10.2	2.6	938.3	4.6	9.5	6.0
	11	..	88	580.7	371.0	951.7	9.8	2.5	939.4	4.9	10.3	6.4
	18	..	88	590.8	371.4	962.2	10.2	2.3	949.7	5.0	9.0	6.4
	25	..	88	588.1	370.7	958.8	9.8	2.4	946.6	6.4	12.8	7.3
March	4	..	88	583.0	371.4	954.3	7.6	2.2	944.5	8.3	17.3	9.1
	11	..	88	582.9	376.5	959.4	8.5	1.9	949.0	18.6	26.4	8.8
	18	..	88	572.3	375.8	948.1	7.1	1.6	939.4	24.4	35.4	9.7
	25	..	88	574.3	376.9	951.1	7.0	1.6	942.6	28.3	37.1	8.1
April	1	..	88	580.9	376.4	957.3	5.9	1.4	950.0	27.2	37.9	9.6
	8	..	88	584.4	378.8	963.2	9.4	1.4	952.4	16.9	21.3	7.9
	15	..	88	591.8	381.0	972.8	10.3	1.7	960.8	23.3	24.9	5.7
	22	..	88	590.9	382.2	973.1	9.1	2.2	961.8	24.8	26.5	4.5
	29	..	88	590.3	383.7	974.0	9.6	2.2	962.2	24.8	26.9	4.9
May	6	..	88	582.5	383.9	966.4	8.2	2.1	956.1	29.9	32.3	6.3
	13	..	88	581.0	385.9	966.9	7.5	1.9	957.5	33.4	35.8	5.8
	20	..	88	587.3	387.6	974.9	9.2	2.2	963.5	30.1	32.0	5.1
	27	..	88	592.4	388.4	980.7	8.8	2.7	969.2	25.6	27.2	4.7
June	3	..	88	590.6	391.5	982.1	9.3	3.1	969.7	19.1	20.6	4.8
	10	..	88	592.2	393.0	985.2	9.9	3.3	972.0	19.6	20.4	4.2
	17	..	88	593.9	394.1	988.0	12.8	3.3	971.9	18.4	18.9	2.6
	24	..	88	602.4	396.8	999.2	12.4	3.7	983.2	16.7	17.2	2.3
July	1	..	89	600.7	398.2	998.9	7.7	3.7	987.5	22.4	27.7	3.9
	8	..	89	594.3	399.6	993.9	10.0	3.9	980.0	29.1	31.8	4.5
	15	..	89	602.3	402.1	1,004.4	11.4	3.7	989.2	24.1	25.3	2.7
	22	..	89	603.5	406.4	1,009.9	11.2	4.0	994.7	14.6	15.2	2.3
	29	..	89	600.3	409.7	1,010.0	12.9	4.0	993.1	11.6	12.0	2.7
August	5	..	89	602.9	410.4	1,013.3	12.1	3.9	997.3	8.5	9.0	3.1
	12	..	89	607.3	409.3	1,016.5	12.0	4.0	1,000.5	6.8	7.5	3.0
	19	..	89	601.2	407.7	1,009.0	8.7	3.8	996.4	11.6	21.7	11.3
	26	..	89	608.0	409.1	1,017.1	8.9	3.6	1,004.6	12.1	16.5	5.7
September	2	..	89	601.8	409.8	1,011.6	8.1	2.9	1,000.5	13.7	20.6	10.4
	9	..	89	599.6	413.3	1,012.9	9.0	2.8	1,001.1	12.3	16.3	8.2
	16	..	89	599.1	412.5	1,011.6	7.7	3.3	1,000.6	12.6	17.4	7.5
	23	..	89	608.6	415.3	1,023.9	12.1	3.4	1,008.4	8.7	12.5	5.2
	30	..	89	611.1	417.5	1,028.5	13.1	4.4	1,011.0	7.8	9.2	4.8
October	7	..	89	609.9	421.4	1,031.3	10.8	6.1	1,014.5	6.6	8.1	3.9
	14	..	89	609.9	422.2	1,032.2	10.6	5.6	1,016.0	6.0	6.7	3.5
	21	..	89	615.4	423.8	1,039.2	13.0	5.7	1,020.6	4.2	5.4	4.4
	28	..	89	616.1	424.4	1,040.5	14.5	5.1	1,021.0	4.2	5.6	5.4
November	4	..	89	614.3	423.7	1,038.0	15.6	5.1	1,017.3	4.8	6.9	6.3
	11	..	89	603.1	424.2	1,027.3	11.7	6.4	1,009.2	8.5	12.3	7.4
	18	..	89	612.7	423.2	1,035.9	13.0	6.8	1,016.1	7.8	11.3	6.3
	25	..	89	619.4	424.0	1,043.4	13.8	6.8	1,022.8	6.5	8.0	5.7
December	2	..	89	618.3	423.3	1,041.5	14.3	6.9	1,020.3	6.7	10.6	6.6
	9	..	89	615.6	422.4	1,037.9	12.1	6.2	1,019.6	7.1	11.9	6.9
	16	..	89	612.9	421.9	1,034.8	9.2	6.9	1,018.7	7.2	15.3	7.8
	23	..	89	606.3	420.4	1,026.7	6.8	5.8	1,014.1	10.7	17.7	7.7
	30	..	89	620.6	417.4	1,038.0	5.0	4.7	1,028.2	18.9	30.0	7.3

* Figures have been revised

(a) At the end of the period.

(b) Exclude borrowings from the Imperial Bank (now State Bank of India) with effect from April 18, 1952.

(f) Average for 50 weeks.

(g) Average for 37 weeks.

† Prior to July 1, 1955 the figures relate to the Imperial Bank of India.

† A bank notified under clause (a) or as the case may be, clause (aa) of Section 42 (2) of the Reserve Bank of India Act.

MENT 3

37

SCHEDULED BANKS, 1949-55

(Amount in crores of rupees)

Cash in India	Bal- ances with the Reserve Bank	Excess of (14) over the statu- tory mi- nimum	Total cash balan- ces (13+14)	Percen- tage of 16 to 5	Bal- ances with other banks in current account	Invest- ments in Govern- ment securi- ties(c)	Percen- tage of 19 to 5	Money at call and short notice	Inland bills purcha- sed and discoun- ted (d)	Foreign bills purcha- sed and discoun- ted	Advan- ces (e)	Total sched- uled bank credit (21+22 +23+ 24)	Percen- tage of 25 to 5
13	14	15	16	17	18	19	20	21	22	23	24	25	26
34.9	66.3	30.3	101.2	11.4					15.7		435.2	450.9	50.7
34.5	61.5	26.3	96.0	11.1					12.8		429.2	442.0	51.0
37.4	59.0	22.9	96.4	10.8	12.7(h)	310.9(h)	34.8	11.6(h)	15.6		516.5	543.7	60.9
33.8	52.2	18.3	86.0	10.0	11.7	304.1	35.5	16.1	38.8		480.7	535.6	62.6
32.2	45.7	12.9	77.9	9.1	11.0	317.5	37.3	16.5	47.6		443.8	507.9	59.6
33.2	51.9	17.1	85.0	9.4	10.9	339.3	37.5	14.5	59.4	24.7(i)	467.8	557.8	61.7
34.0	52.3	14.4	86.2	8.7	10.6	365.2	36.7	18.0	66.0	39.9	498.0	621.8	62.5
32.8	63.3	27.3	96.1	10.2	10.8	349.1	37.2	18.9	47.7	29.4	475.2	571.2	60.8
32.3	58.2	22.2	90.4	9.6	10.4	351.1	37.4	17.4	46.7	30.0	476.1	570.2	60.7
32.9	61.8	25.3	94.7	10.0	11.0	352.3	37.0	18.8	47.6	32.9	474.8	574.2	60.4
33.9	57.9	21.5	91.8	9.7	10.2	352.6	37.1	17.5	47.6	31.4	481.0	577.5	60.8
32.8	55.0	18.5	87.8	9.2	10.2	354.4	37.3	17.7	42.0	31.6	489.3	580.6	61.1
32.0	47.6	11.1	79.6	8.4	10.1	355.2	37.3	17.7	48.4	30.9	495.8	592.8	62.3
32.0	49.2	12.2	81.3	8.4	10.0	354.3	36.8	19.9	55.8	32.6	494.8	603.1	62.7
32.8	46.7	9.9	79.5	8.3	9.6	352.3	36.8	18.0	58.3	32.2	499.0	607.4	63.4
33.3	45.7	9.1	79.0	8.3	10.2	347.5	36.4	15.0	64.5	32.1	505.4	617.0	64.7
34.5	46.2	9.5	80.7	8.4	10.1	347.5	36.2	15.2	70.1	32.4	506.7	624.3	65.1
32.5	45.6	9.5	78.1	8.2	10.1	345.9	36.5	12.0	70.0	31.1	514.3	627.5	66.2
31.6	46.2	9.9	77.8	8.2	9.8	344.1	36.2	11.3	77.5	32.9	512.4	634.2	66.7
32.8	44.9	8.4	77.8	8.1	10.8	344.3	36.0	9.2	80.6	36.5	515.6	641.9	67.1
34.8	47.4	10.6	82.1	8.5	11.4	342.4	35.5	13.6	83.1	37.9	510.3	644.8	68.9
36.2	48.2	11.0	84.4	8.7	11.3	342.3	35.2	15.9	82.2	37.9	506.1	642.0	66.0
34.6	46.1	8.9	80.7	8.3	10.4	340.7	35.0	16.1	81.4	38.1	504.0	639.7	65.7
34.1	46.5	9.3	80.6	8.3	10.2	344.6	35.4	17.1	82.0	39.2	502.9	641.2	65.8
34.2	46.3	9.5	80.5	8.3	10.2	345.0	35.7	15.2	82.8	38.2	506.8	642.9	66.5
34.9	46.0	9.2	80.8	8.4	10.8	344.5	35.6	13.4	81.1	37.8	507.5	639.9	66.2
34.4	48.7	11.5	83.0	8.6	10.2	344.4	35.3	15.9	80.5	38.9	502.9	638.2	65.5
35.4	47.5	10.1	82.9	8.5	10.4	344.4	35.1	16.2	81.1	38.6	500.1	635.9	64.8
35.0	49.3	12.0	84.3	8.6	10.6	344.5	35.1	16.5	79.8	39.7	500.5	636.5	64.8
34.6	48.7	11.2	83.3	8.6	10.6	344.9	35.0	17.8	76.9	39.8	501.1	635.6	64.5
34.1	48.0	10.4	82.1	8.3	10.7	345.9	35.0	20.0	74.0	40.3	498.5	632.8	64.1
34.3	52.4	14.3	86.7	8.7	11.4	346.6	34.7	20.4	70.4	41.0	498.4	630.3	63.1
35.7	47.3	9.3	83.0	8.3	11.8	350.5	35.1	15.6	69.4	39.4	508.9	633.3	63.4
34.2	45.7	8.0	79.9	8.0	10.6	358.9	36.1	17.8	70.2	40.3	506.0	634.2	63.8
33.8	49.8	11.6	83.6	8.3	10.9	367.2	36.6	20.5	70.7	40.9	499.4	631.5	62.9
33.3	52.3	14.0	85.7	8.6	11.4	368.4	36.5	21.3	69.7	41.7	493.1	625.8	62.0
32.0	52.3	14.1	84.3	8.3	10.3	368.8	36.5	22.3	68.8	42.4	489.7	623.2	61.7
34.4	48.1	9.7	82.4	8.1	10.3	369.9	36.5	22.4	72.3	41.1	488.8	624.6	61.6
34.5	50.3	11.7	84.8	8.4	11.1	371.4	36.5	21.2	69.6	40.9	488.0	619.7	61.0
34.5	48.2	9.9	82.7	8.2	10.5	376.0	37.3	15.8	68.7	41.1	510.5	636.0	63.0
33.2	50.2	11.6	83.4	8.2	10.3	378.4	37.2	18.2	67.4	42.3	496.6	624.4	61.4
33.2	56.7	18.4	89.9	8.9	10.8	379.3	37.5	15.9	67.7	41.5	505.0	630.1	62.3
33.6	48.3	10.0	81.9	8.1	10.4	381.0	37.6	17.0	67.1	42.3	500.4	626.9	61.9
33.1	49.3	11.1	82.3	8.1	10.1	382.2	37.8	14.8	59.8	45.4	500.3	620.4	61.3
33.8	55.3	16.6	89.2	8.7	10.8	381.7	37.3	19.7	58.6	44.8	495.3	618.5	60.4
32.4	60.9	22.0	93.3	9.1	10.6	384.4	37.4	23.1	58.0	45.6	489.3	616.1	59.9
33.0	66.9	28.0	99.9	9.7	9.9	385.8	37.4	23.4	58.8	45.2	485.4	612.8	59.4
32.6	60.6	21.6	93.1	9.0	10.5	390.4	37.8	22.0	59.8	44.4	484.5	610.7	59.2
33.5	55.2	15.9	88.6	8.6	10.6	392.7	37.8	23.4	60.3	47.7	482.6	613.9	59.1
37.0	56.0	16.7	93.0	8.9	11.1	392.3	37.7	24.0	60.9	45.3	486.3	616.5	59.3
35.2	59.1	19.9	94.3	9.1	10.8	391.7	37.7	25.5	63.0	46.4	484.7	619.6	59.7
32.7	53.3	14.7	86.0	8.4	10.8	394.9	38.4	19.7	58.4	45.4	497.2	620.8	60.4
37.6	54.5	15.4	92.1	8.9	10.5	394.2	38.1	21.0	57.3	45.6	495.5	619.5	59.8
35.2	61.1	21.7	96.3	9.2	10.8	393.5	37.9	22.0	56.7	47.2	490.2	616.1	59.0
34.1	64.3	24.9	98.4	9.5	11.0	395.2	38.0	23.2	57.1	46.8	497.7	624.8	60.0
34.4	57.3	18.1	91.7	8.8	10.3	394.3	38.0	20.6	58.5	46.7	498.7	624.5	60.2
34.1	54.2	15.2	88.4	8.5	10.1	392.7	38.0	16.6	59.4	46.1	508.7	630.8	61.0
33.9	55.7	16.9	89.6	8.7	10.6	387.9	37.8	11.7	61.8	47.0	514.0	634.5	61.8
39.3	60.9	21.5	100.2	9.7	14.9	383.0	36.9	9.3	69.8	48.4	517.4	644.9	62.1

(c) Include Treasury Bills and TDRs.

(d) Include inland bills purchased from November 1951 only.

(e) Include money at call and short notice and inland bills purchased upto October 1951.

(h) Average for 9 weeks.

(i) Average for 34 weeks.

STATE MONEY RATES IN

Period	State Bank of India Rates††										Bazaar Bill		
											Calcutta		
	Bank Rate (a)		Hundi Rate (b)		Advance Rate (c)		Call Loan Rate (d)						
H	L	H	L	H	L	Rs. 5 lakhs and over		Below Rs. 5 lakhs		H	L		
							H	L	H	L	H	L	
1949	..	3	3½	3		3½	2½	2½	3		15	9	
1950	..	3	3½			3½	2½		3		12	10	
1951		3½†	3	4½	3½	4	3½	3½	2½	3½	3	12	10
1952	..	3½		4½		4		3½		3½		12	10
1953	..	3½		4½		4		3½		3½		12	10
1954	..	3½		4½		4		3½		3½		12	10
1955	..	3½		4½		4		3½		3½		12	10
Jan. 1955	..	3½		4½		4		3½		3½		12	10
Feb. „	..	3½		4½		4		3½		3½		12	10
Mar. „	..	3½		4½		4		3½		3½		12	10
Apr. „	..	3½		4½		4		3½		3½		12	10
May „	..	3½		4½		4		3½		3½		12	10
June „	..	3½		4½		4		3½		3½		12	10
July „	..	3½		4½		4		3½		3½		12	10
Aug. „	..	3½		4½		4		3½		3½		12	10
Sept. „	..	3½		4½		4		3½		3½		12	10
Oct. „	..	3½		4½		4		3½		3½		12	10
Nov. „	..	3½		4½		4		3½		3½		12	10
Dec. „	..	3½		4½		4		3½		3½		12	10

†† Prior to July 1, 1955 the rates relate to the Imperial Bank of India.

(a) The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India Act.

(b) The rate at which the State Bank of India discounts first class three months' commercial bills.

(c) The general advance rate at which the State Bank of India grants advances to the public against Government securities.

(d) The basic advance rate of the State Bank of India for demand loans taken by scheduled banks against Government securities.

† Raised to 3½ per cent on November 15, 1951.

MENT 4
INDIA, 1949-55

(Rate per cent)

Rate (e)		Call Money Rate (f)								Long term Govern- ment Bond Yield*
Bombay		Calcutta		Bombay				Madras		
H	L	H	L	Larger Banks		Smaller Banks		H	L	
8½	7½	½	½	1½	½	1½	½	1½	½	3.06
8½	7½	½		1	½	1½	1	1½	½	3.11
9	8½	½		2½	½	2½	1½	2	½	3.29
9½	9	3	½	3	½	3½	1½	3½	1½	3.69
9½	8½	2½	1½	3	½	3	1½	3	1½	3.64
9½		3	1	3	½	3	1½	3	1½	3.65
9½		3½	2½	3	1½	3½	1½	3½	1½	3.72
9½		3		3	2½	3	2½	2½	1½	3.69
9½		3		3	2½	3	2½	2½	2	3.70
9½		3½	3	3	2½	3½	2½	3	2½	3.71
9½		3	2½	3	2½	3½	3	3	2½	3.72
9½		3		3	2½	3	2½	2½	2½	3.71
9½		3		3	2	3	2	2½	2½	3.73
9½		3	2½	3	1½	3	2	2½	2½	3.72
9½		3	2½	3	1½	3	2	3	2½	3.73
9½		3		3	2	3½	2½	3		3.73
9½		3	2½	2½	1½	2½	1½	3		3.73
9½		3½	3	3	1½	3	1½	3	2½	3.73
9½		3½	3½	3	2½	3		3½	3	3.73

(e) Rate at which bills of small traders are reported to have been discounted by shroffs; these are unofficial quotations.

(f) Rate at which banks advance their day-to-day surplus funds to other banks; these loans are repayable on call at the option of the lender.

* Average flat yield on 3 per cent Conversion Loan of 1946.

H — Highest.

L — Lowest.

STATE LIABILITIES AND ASSETS IN

As on the last Friday of	No. of report- ing bank- ing com- panies	Paid- up capi- tal†	Re- ser- ves	Demand deposits		Time deposits		Total depo- sits	Due to other banks	Total liabi- lities	Cash in hand	Balan- ces with the Reserve Bank	Total (12+13)
				From bank- ing com- panies	From others	From bank- ing com- panies	From others						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. INDIAN SCHE													
1950	76	34.4	24.8	443.3		239.0		682.3	13.7	802.3	87.2		87.2
1951	77	33.5	26.0	21.6	395.7	2.3	242.6	662.2	25.5	788.3	40.2	31.7	71.9
1952	78	33.7	27.6	19.5	371.2	4.5	255.7	650.8	9.9	758.8	32.1	33.1	65.2
1953	75	32.6	27.5	18.5	377.1	3.4	269.0	668.0	10.4	772.5	29.2	35.8	64.9
1954	74	32.7	27.6	24.8	422.2	5.5	295.6	748.2	13.0	859.9	33.7	56.5	90.2
1955	74	32.7	28.2	26.7	449.9	5.3	340.0	821.9	28.9	964.7	36.7	43.9	85.5
January 1955	73	32.6	27.6	23.6	421.5	6.1	295.3	746.4	15.6	859.6	31.0	48.0	78.9
February ..	73	32.6	27.7	23.3	426.4	4.7	297.4	751.8	20.4	869.9	30.0	35.9	65.8
March	73	32.5	27.8	23.1	419.7	4.8	303.3	751.0	37.6	890.2	28.9	36.7	65.5
April	72	32.6	27.8	26.3	427.9	6.6	309.6	770.4	25.3	897.4	31.1	36.4	67.5
May	74	32.7	27.9	26.0	426.1	7.2	312.8	772.0	24.0	901.2	32.1	36.8	68.9
June	74	32.7	27.9	26.3	430.8	6.9	319.8	783.8	14.3	899.4	31.4	40.2	71.5
July	74	32.7	28.0	25.4	434.8	7.3	329.1	796.6	10.1	912.6	29.2	40.7	70.0
August	74	32.7	28.0	25.9	443.0	6.7	328.2	803.7	15.8	925.7	30.3	40.2	70.5
September ..	73	32.6	27.6	25.0	441.6	6.5	334.9	808.0	11.5	927.4	29.4	49.3	78.7
October	74	32.7	28.0	25.3	444.7	7.6	338.9	816.5	10.4	939.6	34.1	44.0	78.1
November ..	74	32.7	28.0	24.6	448.4	6.3	338.7	818.0	12.9	945.0	32.2	49.5	81.7
December ..	74	32.7	28.2	26.7	449.9	5.3	340.0	821.9	28.9	964.7	36.7	48.9	85.5
B. EXCHANGE													
1950	15		0.4	125.0		39.3		164.2	5.6	191.5	15.8		15.8
1951	15		1.3	6.0	116.9	0.6	43.0	166.6	7.6	226.1	3.3	13.9	17.2
1952	14		1.6	6.7	111.7	1.4	52.9	172.7	16.0	213.8	2.9	10.7	13.5
1953	14		2.8	5.4	103.7	0.1	54.6	163.7	8.6	198.9	2.8	8.9	11.7
1954	14		2.6	5.8	108.0	0.6	60.4	174.8	8.1	212.9	2.1	11.3	13.5
1955	15		3.2	5.7	121.9	0.1	63.9	191.5	18.6	241.5	2.5	12.2	14.7
January 1955	14		2.7	6.2	111.4	0.5	61.7	179.8	9.5	218.8	2.8	9.9	12.8
February ..	14		2.7	6.0	117.0	0.1	62.2	185.3	9.4	222.5	2.8	10.8	13.6
March	14		2.7	5.1	112.0	0.1	63.1	180.3	7.2	220.3	2.7	9.5	12.2
April	14		2.7	4.7	113.5	0.3	61.2	179.7	10.4	213.6	2.8	10.1	12.9
May	14		2.7	4.4	117.3	0.3	61.8	183.9	9.7	219.4	3.2	10.7	13.9
June	15		2.7	4.8	117.7	0.1	62.6	185.2	21.0	230.4	2.8	12.3	15.0
July	15		2.8	5.4	115.0	0.1	65.5	186.0	20.3	233.1	2.7	11.6	14.2
August	15		2.8	5.6	115.7	—	67.0	188.4	18.4	233.5	2.8	10.0	12.8
September ..	15		2.8	5.3	118.0	0.2	66.4	189.9	19.7	237.0	2.8	11.5	14.3
October	15		2.8	5.1	118.3	0.3	69.2	192.8	19.2	238.9	2.8	12.0	14.8
November ..	15		2.8	5.9	118.4	0.3	68.4	193.0	20.4	241.0	2.8	11.6	14.5
December ..	15		3.2	5.7	121.9	0.1	63.9	191.5	18.6	241.5	2.5	12.2	14.7
C. ALL SCHE													
1950	91	34.4	25.1	568.3		278.2		846.5	19.2	993.8	103.0		103.0
1951	92	33.5	27.3	27.7	512.6	2.9	285.6	828.8	33.1	1,014.3	43.5	45.6	89.1
1952	92	33.7	29.1	26.1	482.9	5.9	308.5	823.5	25.9	972.5	35.0	43.8	78.8
1953	89	32.6	30.3	23.9	480.7	3.5	323.6	831.8	19.0	971.4	31.9	44.7	76.6
1954	88	32.7	30.3	30.6	530.2	6.0	356.0	922.9	21.1	1,072.9	35.8	67.8	103.6
1955	89	32.7	31.3	32.4	571.8	5.4	403.9	1,013.4	47.5	1,206.2	39.1	61.1	100.2

MENT 5

INDIA OF BANKING COMPANIES

(Amount in crores of rupees)

Per- centage of 14 to 9	Balances with the agents of the Reserve Bank and other banks	Money at call and short notice*	Bills purcha- sed and discount- ed††	Loans, advan- ces, cash credits and over- drafts	Due from banks	Total advan- ces (17+ 18+19+ 20)‡	Per- centage of 21 to 9	Invest- ments in Govt. securi- ties§	Other invest- ments	Total invest- ments (23+24)	Per- centage of 25 to 9	Total assets
15	16	17	18	19	20	21	22	23	24	25	26	27
DULED BANKS@												
12.8	10.6		307.1		17.0	324.1	47.5	310.6	23.0	333.6	48.9	785.6
10.9	11.0	3.7	32.9	336.8	24.7	398.1	60.1	259.9	21.0	280.9	42.4	786.6
10.0	9.3	5.1	27.7	302.8	13.2	348.8	53.6	279.1	23.0	302.1	46.4	748.3
9.7	8.6	6.5	43.8	292.8	10.9	353.9	53.0	288.0	22.0	309.9	46.4	758.1
12.1	12.0	9.4	41.2	337.0	5.7	393.3	52.6	299.6	23.7	323.2	43.2	848.0
10.4	13.0	4.9	68.1	372.0	9.7	454.6	55.3	335.9	26.7	362.6	44.1	941.6
10.6	8.3	8.4	44.9	347.6	7.2	408.1	54.7	303.0	24.1	327.2	43.9	842.1
8.8	8.0	6.5	56.0	360.7	10.2	433.4	57.6	302.2	24.6	326.8	43.5	853.7
8.7	8.1	5.7	75.4	366.2	10.9	458.1	61.0	296.6	24.8	321.4	42.8	872.8
8.8	8.5	10.6	80.0	364.9	7.4	462.9	60.1	296.5	25.0	321.6	41.7	881.4
8.9	8.8	9.4	78.6	363.9	7.0	458.9	59.4	296.4	25.7	322.1	41.7	879.8
9.1	9.7	14.7	68.2	364.1	4.3	451.3	57.6	298.5	26.2	324.7	41.4	878.3
8.8	8.8	16.5	67.3	355.6	4.4	443.9	55.7	320.1	26.5	346.5	43.5	889.8
8.8	8.8	9.7	64.0	360.0	7.7	441.4	54.9	329.3	26.4	355.7	44.3	902.5
9.7	8.6	14.3	54.7	356.3	7.0	432.2	53.5	333.8	26.6	360.4	44.6	902.8
9.6	8.9	16.3	58.5	350.4	8.1	433.4	53.1	344.4	26.9	371.3	45.5	913.6
10.0	9.1	13.8	55.2	352.0	8.6	429.6	52.5	347.0	26.7	373.7	46.7	916.4
10.4	13.0	4.9	68.1	372.0	9.7	454.6	55.3	335.9	26.7	362.6	44.1	941.6
BANKS												
9.6	7.3		108.9		0.9	109.9	68.9	46.5	1.1	47.6	29.0	189.6
10.3	2.4	7.4	5.0	141.0	0.8	154.2	92.6	46.1	1.1	47.2	28.3	230.4
7.8	1.5	11.5	3.9	120.1	1.9	137.3	79.5	44.2	0.9	45.1	26.1	204.1
7.1	1.7	6.2	5.9	108.9	1.6	122.7	74.9	46.8	0.8	47.6	29.1	189.9
7.7	1.7	5.8	12.8	120.7	1.1	140.4	80.3	47.4	0.6	48.0	27.5	209.3
7.7	2.0	4.6	16.7	136.9	0.8	159.0	83.0	46.9	3.5	50.4	26.3	232.9
7.1	1.7	8.8	14.1	121.6	1.1	145.6	81.0	48.6	0.6	49.2	27.4	214.1
7.3	1.5	11.5	13.2	123.2	1.1	148.9	80.4	49.3	0.8	50.0	27.0	218.3
6.8	1.6	5.7	13.9	131.8	1.2	152.6	84.6	46.7	1.1	47.8	26.5	218.5
7.2	1.5	6.6	14.7	130.2	0.4	151.8	84.5	47.2	2.1	49.3	27.4	220.2
7.6	1.5	6.8	15.7	130.1	0.6	153.1	83.3	47.5	2.1	49.6	27.0	223.0
8.1	1.7	5.7	15.9	130.8	0.5	152.9	82.6	47.6	2.1	49.6	26.8	224.5
7.6	1.6	5.8	15.3	130.1	0.7	151.9	81.7	48.2	2.1	50.3	27.0	223.6
6.8	1.4	8.5	16.7	129.9	0.2	155.3	82.4	49.3	2.1	51.3	27.2	226.4
7.5	1.8	8.9	17.3	126.4	0.2	152.8	80.5	49.4	2.0	51.4	27.1	226.8
7.7	2.1	7.6	17.1	129.5	0.1	154.4	80.0	47.9	2.1	50.0	25.9	228.0
7.5	1.6	8.6	16.7	129.9	1.6	156.8	81.2	48.5	2.1	50.5	26.2	230.3
7.7	2.0	4.6	16.7	136.9	0.8	159.0	83.0	46.9	3.5	50.4	26.3	232.9
DULED BANKS												
12.2	17.9		416.1		17.9	434.0	51.3	357.0	24.1	381.2	45.0	975.2
10.7	13.4	11.1	37.9	477.8	25.6	552.4	66.6	305.9	22.1	328.0	39.6	1,017.0
9.6	10.8	16.6	31.6	422.8	15.2	486.2	59.0	323.3	23.9	347.2	42.2	952.4
9.2	10.3	12.7	49.8	401.7	12.5	476.6	57.3	334.8	22.7	357.5	43.0	948.0
11.2	13.7	15.2	54.0	457.7	6.8	533.7	57.8	347.0	24.3	371.3	40.2	1,057.3
9.9	14.9	9.5	84.7	508.9	10.5	613.6	60.5	382.8	30.2	413.0	40.8	1,174.4

@ Include one bank registered in Pakistan upto 1952 and two such banks for subsequent years.

STATE LIABILITIES AND ASSETS IN

As on the last Friday of	No. of report- ing bank- ing com- panies	Paid- up capi- tal†	Re- ser- ves	Demand deposits		Time deposits		Total depos- its	Due to other banks	Total liabi- lities	Cash in hand	Balan- ces with the Re- serve Bank	Total (12+13)
				From bank- ing com- panies	From others	From bank- ing com- panies	From others						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
C. ALL SCHE													
January 1955	87	32.6	30.3	29.9	532.8	6.6	357.0	926.3	25.0	1,078.3	33.8	57.9	91.7
February "	87	32.6	30.3	29.3	543.4	4.9	359.6	937.1	29.9	1,092.4	32.7	46.7	79.4
March "	87	32.5	30.5	28.2	531.7	4.9	366.4	931.3	44.8	1,110.5	31.6	46.2	77.7
April "	86	32.6	30.5	31.0	541.4	6.9	370.8	950.1	35.7	1,116.0	34.0	46.5	80.4
May "	88	32.7	30.6	30.4	543.3	7.5	374.6	955.8	33.7	1,120.5	35.2	47.5	82.8
June "	89	32.7	30.6	31.1	548.5	7.0	382.4	968.9	35.3	1,129.8	34.2	52.4	86.6
July "	89	32.7	30.8	30.7	549.8	7.4	394.6	982.5	30.4	1,145.7	31.9	52.3	84.2
August "	89	32.7	30.8	31.5	558.7	6.7	395.2	992.1	34.2	1,159.2	33.1	50.2	83.4
September "	88	32.6	30.5	30.3	559.6	6.6	401.3	997.9	31.2	1,164.4	32.2	60.8	93.0
October "	89	32.7	30.8	30.4	563.0	7.9	408.0	1,009.3	29.6	1,178.4	36.9	56.0	92.9
November "	89	32.7	30.8	30.4	566.8	6.6	407.1	1,011.0	33.4	1,186.0	35.0	61.1	96.2
December "	89	32.7	31.3	32.4	571.8	5.4	403.9	1,013.4	47.5	1,206.2	39.1	61.1	100.2
D. NON-SCHE													
1950 ..	339	5.9	2.0	12.9		24.4		37.4	2.6	49.8	3.6	—	3.6
1951 ..	306	5.8	2.2	0.2	11.4	0.2	24.1	35.9	2.4	47.9	3.1	—	3.1
1952 ..	425	8.9	4.0	0.5	19.8	0.2	39.1	59.6	3.7	78.4	4.7	—	4.7
1953 ..	415	8.5	3.9	0.2	19.6	0.3	39.8	59.9	1.6	76.3	4.5	—	4.6
1954 ..	401	8.3	4.1	0.6	23.1	0.3	40.8	64.7	1.0	80.8	5.9	0.1	5.9
1955 ..	387	7.9	4.2	0.4	25.2	0.4	42.9	68.9	1.7	85.8	6.2	—	6.2
January 1955	377	8.2	4.0	0.3	22.5	0.3	40.0	63.0	1.3	79.0	4.4	0.1	4.4
February "	385	8.2	4.1	0.3	22.5	0.3	40.4	63.6	1.6	79.7	4.3	0.1	4.4
March "	384	8.1	4.2	0.3	22.5	0.7	39.8	63.2	1.6	79.3	4.4	—	4.5
April "	375	8.0	4.3	0.3	22.9	0.5	39.7	63.4	2.2	80.0	4.3	—	4.3
May "	382	8.1	4.4	0.3	23.0	0.5	41.2	65.0	2.1	81.5	4.5	—	4.5
June "	384	8.1	4.4	0.3	22.8	0.5	41.2	64.8	1.9	81.2	4.5	—	4.5
July "	379	8.0	4.3	0.3	21.9	0.5	41.0	63.7	1.4	79.4	4.1	—	4.1
August "	384	8.1	4.4	0.5	23.1	0.4	41.6	65.6	1.2	81.2	4.2	—	4.2
September "	384	8.1	4.3	0.3	24.2	0.4	41.6	66.4	1.2	82.3	4.3	—	4.4
October "	387	8.1	4.3	0.3	23.9	0.5	41.9	66.5	1.5	83.1	4.1	—	4.1
November "	380	8.0	4.3	0.3	24.6	0.4	42.2	67.4	1.9	83.9	4.4	—	4.5
December "	387	7.9	4.2	0.4	25.2	0.4	42.9	68.9	1.7	85.8	6.2	—	6.2
E. ALL													
1950 ..	430	40.3	27.1	581.2		302.7		883.9	21.8	1,043.6	106.5		106.5
1951 ..	398	39.3	29.5	27.9	524.0	3.1	309.7	864.6	35.5	1,062.2	46.5	45.6	92.2
1952 ..	517	42.6	33.1	26.6	502.7	6.2	347.6	883.1	29.6	1,051.0	39.7	43.8	83.5
1953 ..	504	41.1	34.2	24.1	500.4	3.8	363.4	891.7	20.6	1,047.7	36.5	44.7	81.2
1954 ..	489	41.0	34.4	31.2	563.3	6.3	396.8	987.6	22.1	1,153.7	41.7	67.9	109.5
1955 ..	476	40.6	35.6	32.8	597.0	5.8	446.8	1,082.3	49.2	1,292.0	45.3	61.1	106.4
January 1955	464	40.8	34.4	30.2	555.3	6.9	397.0	989.3	26.3	1,157.3	38.2	57.9	96.1
February "	472	40.8	34.5	29.6	565.9	5.2	400.0	1,000.7	31.5	1,172.1	37.0	46.7	83.8
March "	471	40.6	34.7	28.5	554.2	5.6	406.2	994.5	46.4	1,189.9	36.0	46.2	82.2
April "	461	40.6	34.8	31.2	564.3	7.4	410.5	1,013.4	37.9	1,196.0	38.3	46.5	84.8
May "	470	40.7	35.0	30.7	566.3	8.0	415.8	1,020.8	35.8	1,202.0	39.7	47.6	87.3
June "	473	40.7	35.0	31.4	571.2	7.5	423.6	1,033.7	37.2	1,211.0	38.7	52.5	91.1
July "	468	40.7	35.1	31.0	571.7	7.9	435.6	1,046.2	31.8	1,225.1	36.0	52.3	88.3
August "	473	40.8	35.2	32.0	581.8	7.1	436.8	1,057.7	35.4	1,240.5	37.3	50.3	87.5
September "	472	40.7	34.8	30.6	583.8	7.1	442.9	1,064.3	32.4	1,246.7	36.5	60.9	97.4
October "	476	40.8	35.1	30.6	586.9	8.3	449.3	1,075.8	31.1	1,261.5	41.0	56.0	97.0
November "	469	40.7	35.1	30.7	591.4	7.0	449.3	1,078.4	35.3	1,269.9	39.5	61.1	100.6
December "	476	40.6	35.6	32.8	597.0	5.8	446.8	1,082.3	49.2	1,292.0	45.3	61.1	106.4

Note:—As the figures of liabilities and assets of banking companies relate only to areas to which the Banking Companies Act extended, the total of liabilities may not agree with the total of assets.

† The figures of paid-up capital of banking companies incorporated outside India are excluded.

MENT 5—Contd.

INDIA OF BANKING COMPANIES

(Amount in crores of rupees)

Per- centage of 14 to 9	Balances with the agent of the Reserve Bank and other banks	Money at call and short notice*	Bills purcha- sed and discount- ed††	Loans, advan- ces, cash credits and over- drafts	Due from banks	Total advan- ces (17+ 18+19 +20)‡	Per- centage of 21 to 9	Invest- ments in Govt. securi- ties§	Other invest- ments	Total invest- ments (23+24)	Per- centage of 25 to 9	Total assets
15	16	17	18	19	20	21	22	23	24	25	26	27
DUED BANKS—(contd).												
9.9	10.0	17.2	59.1	469.2	8.3	553.7	59.8	351.6	24.7	376.3	40.6	1,056.2
8.5	9.5	17.9	69.2	483.8	11.3	582.3	62.1	351.5	25.3	376.8	40.2	1,072.0
8.3	9.7	11.3	89.3	498.0	12.1	610.7	65.6	343.4	25.8	369.2	39.6	1,091.3
8.5	10.0	17.1	94.7	495.2	7.8	614.7	64.7	343.8	27.1	370.9	39.0	1,101.6
8.7	10.3	16.2	94.3	494.0	7.5	612.0	64.0	343.8	27.8	371.7	38.9	1,102.7
8.9	11.3	20.4	84.1	494.9	4.8	604.2	62.4	346.1	28.2	374.3	38.6	1,102.8
8.6	10.3	22.3	82.6	485.8	5.1	595.8	60.6	386.3	28.5	396.8	40.4	1,113.4
8.4	10.2	18.2	80.7	489.9	7.9	526.7	60.1	378.6	28.4	407.0	41.0	1,128.9
9.3	10.4	23.1	72.0	482.8	7.2	535.0	58.6	383.2	28.5	411.8	41.3	1,129.6
9.2	11.0	24.0	75.6	480.0	8.2	587.8	58.2	392.3	29.0	421.3	41.7	1,141.6
9.5	10.7	22.3	72.0	481.9	10.2	586.3	58.0	395.5	28.7	424.2	42.0	1,146.7
9.9	14.9	9.5	84.7	508.9	10.5	613.6	60.5	382.8	30.2	413.0	40.8	1,174.4
DUED BANKS												
9.6	2.4			28.4	—	28.4	75.9	9.8	2.4	12.1	32.4	40.5
8.6	1.7	0.2	1.4	27.1	—	28.8	80.2	9.0	2.5	11.5	32.0	47.8
7.9	3.0	0.2	2.1	39.4	0.1	41.8	70.1	20.6	3.9	24.6	41.3	78.3
7.6	2.5	0.7	2.0	37.8	0.2	40.7	68.0	20.1	4.2	24.2	40.5	76.2
9.1	3.9	1.9	1.6	36.5	0.1	40.1	62.0	21.3	5.0	26.3	40.6	80.7
9.0	3.5	2.7	2.2	35.8	0.1	40.7	59.1	24.9	5.7	30.5	44.3	85.7
7.0	2.7	1.2	2.3	36.5	0.1	40.0	63.5	21.6	5.9	27.5	43.7	78.7
6.9	2.5	1.5	2.2	37.0	0.1	40.7	64.0	21.6	6.2	27.8	43.7	79.6
7.1	2.6	1.7	2.2	36.2	0.1	40.2	63.6	21.6	6.2	27.7	43.8	79.1
6.8	2.7	2.1	2.3	35.4	0.1	39.9	62.9	21.5	6.6	28.0	44.2	79.9
6.9	2.7	2.5	2.5	36.4	0.1	41.4	63.7	22.1	6.2	28.3	43.5	81.3
6.9	2.7	2.6	2.3	36.6	0.1	41.6	64.2	21.9	5.7	27.6	42.6	81.0
6.4	2.6	2.3	2.2	36.4	0.1	41.0	64.4	21.7	5.8	27.5	43.2	79.3
6.4	2.5	3.5	2.1	36.4	0.1	42.0	64.0	22.2	5.6	27.8	42.4	81.0
6.6	2.7	3.2	2.2	35.5	0.1	41.0	61.7	23.9	5.6	29.5	44.4	82.1
6.2	2.3	3.1	2.5	35.8	0.1	41.5	62.4	24.8	5.9	30.7	46.2	82.9
6.7	2.7	3.0	2.5	35.9	0.1	41.6	61.7	24.6	5.6	30.2	44.8	83.8
9.0	3.5	2.7	2.2	35.8	0.1	40.7	59.1	24.9	5.7	30.5	44.3	85.7
BANKS												
12.0	20.3			444.4	17.9	462.3	52.3	366.8	26.5	393.3	44.5	1,024.7
10.7	15.1	11.2	39.3	505.0	25.6	581.1	67.2	315.0	24.6	339.6	39.3	1,064.7
9.5	13.8	16.8	33.8	462.2	15.2	528.0	59.8	343.9	27.9	371.8	42.1	1,030.7
9.1	12.8	13.4	51.8	439.5	12.6	517.3	58.0	354.8	26.9	381.7	42.8	1,024.3
11.0	17.6	17.1	55.6	494.2	6.9	573.8	57.5	368.3	29.3	397.6	39.9	1,138.0
9.8	18.4	12.2	86.9	544.7	10.6	654.3	60.5	407.7	35.9	443.5	41.0	1,260.1
9.7	12.8	18.3	61.3	505.8	8.4	593.7	60.0	373.2	30.6	403.8	40.8	1,134.9
8.4	12.0	19.4	71.4	520.8	11.4	623.0	62.3	373.1	31.6	404.6	40.4	1,151.5
8.3	12.2	13.0	91.5	534.2	12.2	650.9	65.4	364.9	32.0	396.9	39.0	1,170.5
8.4	12.7	19.2	97.0	530.5	7.9	654.6	64.6	365.2	33.7	398.9	39.4	1,181.4
8.6	13.0	18.6	96.8	530.4	7.6	653.4	64.0	365.9	34.0	399.9	39.2	1,184.0
8.8	14.1	23.0	86.4	531.5	4.9	645.8	62.5	367.9	33.9	401.9	38.9	1,183.8
8.4	12.9	24.6	84.8	522.2	5.2	636.8	60.9	390.0	34.3	424.3	40.6	1,192.7
8.3	12.7	21.7	82.8	526.3	8.0	638.7	60.4	400.8	34.0	434.8	41.1	1,210.0
9.2	13.1	26.3	74.1	518.3	7.2	626.0	58.8	407.1	34.2	441.3	41.5	1,211.7
9.0	13.3	27.1	78.1	515.7	8.3	629.2	58.5	417.1	34.9	452.0	42.0	1,224.5
9.3	13.4	25.4	74.5	517.8	10.2	627.9	58.2	420.1	34.3	454.4	42.1	1,230.5
9.8	18.4	12.2	86.9	544.7	10.6	654.3	60.5	407.7	35.9	443.5	41.0	1,260.1

* For the year 1950 money at call and short notice is included in balances with other banks in column 16.

†† Relate to inland and such foreign import bills as are accounted through bills purchased and discounted account.

‡ Exclude money at call and short notice for 1950.

§ Include Treasury Bills and TDRs.

STATEMENT 6

PRINCIPAL RATIOS OF BANKING COMPANIES

(As on the last Friday of the year)

(Percentage)

Ratio of 1	Exchange Banks		Other Sched- uled Banks		Non-Sche- duled Banks		All Banks	
	1954 2	1955 3	1954 4	1955 5	1954 6	1955 7	1954 8	1955 9
1. Reserves to paid-up capital* ..			84	86	49	54	77	88
2. Demand deposits to total deposits ..	65	67	60	58	37	37	59	58
3. Time deposits to total deposits ..	35	33	40	42	63	63	41	42
4. Total paid-up capital and re- serves to total deposits@ ..			8	7	19	18	8	7
5. Borrowings from banks to total deposits ..	5	10	2	4	1	2	2	5
6. Cash in hand and balances with the Reserve Bank of India to total deposits ..	8	8	12	10	9	9	11	10
7. Balances with the agent of the Reserve Bank of India and with other banks to total deposits ..	1	1	2	2	6	5	2	2
8. Investments in Government securities to total deposits ..	27	25	40	41	33	36	37	38
9. Total investments to total deposits ..	27	26	43	44	41	44	40	41
10. Advances to total deposits ..	80	83	53	55	62	59	58	60
11. Capitalised expenses to total paid-up capital and reserves@			1	1	4	4	3	3

* Exclude banks incorporated outside India.

@ In calculating the ratios under columns 8 and 9, paid-up capital of banks incorporated outside India has been excluded but their reserves have been included.

STATEMENT 7

RATIO OF PAID-UP CAPITAL AND RESERVES TO DEPOSITS OF COMMERCIAL BANKS IN INDIA, THE U.K. AND THE U.S.A. 1939-55

(Percentage)

End of 1	India (Indian Joint Stock Banks)			United Kingdom (Eleven clearing banks) 5	United States of America (All commer- cial banks) 6
	Scheduled banks 2	Non-Scheduled banks 3	All banking companies 4		
1939	13	25	14	6	14
1945	6	11	7	3	7
1949	9	20	9	2	8
1950	9	21	9	2	8
1951	9	22	10	2	8
1952	9	22	11	2	8
1953	9	21	10	3	8
1954	8	19	9	3	8
1955	7	18	8	3	8

Note :—The ratios have been calculated from data available in the Statistical Tables relating to Banks in India for the years 1939 and 1945 and thereafter from returns received from the banking companies under the Banking Companies Act, in the case of India, and from figures available in the Bankers' Magazine and the Federal Reserve Bulletin in the case of the U. K. and the U.S.A., respectively.

STATEMENT 8

**PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES
CLASSIFIED ACCORDING TO THE SIZE OF THEIR PAID-UP
CAPITAL AND RESERVES**

(As on the last Friday of the year)

(Amount in crores of rupees)

Size of paid-up capital and reserves	No. of reporting banking companies*	Paid-up capital and reserves	Deposits			Cash in hand and balances with the Reserve Bank	Investments in Government securities†	Other investments	Loans and advances
			Demand	Time	Total				
1	2	3	4	5	6	7	8	9	10
A. SCHEDULED BANKS									
1. Rs. 5 lakhs and above but less than Rs. 50 lakhs	47	8.9 (11.9)	25.5 (34.2)	49.0 (65.7)	74.6	9.5 (12.7)	26.4 (35.4)	2.9 (3.9)	43.3 (58.0)
2. Rs. 50 lakhs and above	25	51.9 (7.0)	450.2 (60.3)	296.1 (39.7)	746.4	75.9 (10.2)	309.2 (41.4)	23.8 (3.2)	410.5 (55.0)
3. Total of 1 and 2	72	60.9 (7.4)	475.8 (58.0)	345.2 (42.0)	821.0	85.4 (10.4)	335.6 (40.9)	26.7 (3.3)	453.8 (55.3)
B. NON-SCHEDULED BANKS									
4. Below Rs. 50,000	32	0.1 (50.0)	0.1 (50.0)	0.1 (50.0)	0.2	0.1 (50.0)	—	—	0.2 (100.0)
5. Rs. 50,000 and above but less than Rs. 1 lakh	102	0.7 (29.2)	0.7 (29.2)	1.7 (70.8)	2.4	0.3 (12.5)	0.4 (16.7)	0.2 (8.3)	1.9 (79.2)
6. Rs. 1 lakh and above but less than Rs. 5 lakhs	191	3.9 (20.1)	5.3 (27.5)	14.0 (72.5)	19.4	1.9 (9.8)	5.4 (27.8)	1.6 (8.2)	12.8 (66.0)
7. Rs. 5 lakhs and above but less than Rs. 50 lakhs	57	4.5 (18.7)	8.4 (34.9)	15.7 (65.1)	24.1	2.3 (9.5)	6.7 (27.8)	1.8 (7.5)	15.3 (63.5)
8. Rs. 50 lakhs and above	4	3.0 (13.1)	11.1 (48.5)	11.8 (51.5)	22.8	1.7 (7.5)	12.4 (54.4)	2.0 (8.8)	10.5 (46.1)
9. Total of 4 to 8	386	12.1 (17.6)	25.6 (37.1)	43.4 (62.9)	68.9	6.2 (9.0)	24.8 (36.0)	5.7 (8.3)	40.7 (59.1)
C. ALL BANKS									
10. Below Rs. 50,000	32	0.1 (50.0)	0.1 (50.0)	0.1 (50.0)	0.2	0.1 (50.0)	—	—	0.2 (100.0)
11. Rs. 50,000 and above but less than Rs. 1 lakh	102	0.7 (29.2)	0.7 (29.2)	1.7 (70.8)	2.4	0.3 (12.5)	0.4 (16.7)	0.2 (8.3)	1.9 (79.2)
12. Rs. 1 lakh and above but less than Rs. 5 lakhs	191	3.9 (20.1)	5.3 (27.5)	14.0 (72.5)	19.4	1.9 (9.8)	5.4 (27.8)	1.6 (8.2)	12.8 (66.0)
13. Rs. 5 lakhs and above but less than Rs. 50 lakhs	104	13.4 (13.6)	34.0 (34.4)	64.7 (65.6)	98.7	11.8 (12.0)	33.0 (33.4)	4.7 (4.8)	58.6 (59.4)
14. Rs. 50 lakhs and above	29	54.9 (7.1)	461.3 (60.0)	307.9 (40.0)	769.3	77.6 (10.1)	321.6 (41.8)	25.9 (3.4)	421.0 (54.7)
15. Total of 10 to 14	458	73.0 (8.2)	501.4 (56.3)	388.5 (43.7)	889.9	91.7 (10.3)	360.4 (40.5)	32.5 (3.6)	494.5 (55.6)

Note :—Figures in brackets indicate the percentages of individual items to total deposits of banking companies in each group.

* Exclude banking companies incorporated outside India.

† Include Treasury Bills.

STATEMENT 9
CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES
ACCORDING TO THE SIZE OF THEIR RESERVES IN RELATION
TO THEIR PAID-UP CAPITAL

Class of banking companies	Last Friday of	No. of banking companies having								Total
		no reserves		reserves less than 50% of the paid-up capital		reserves equal to or more than 50% but less than the paid-up capital		reserves equal to or more than the paid-up capital		
		Number	Percentage to total	Number	Percentage to total	Number	Percentage to total	Number	Percentage to total	
1	2	3	4	5	6	7	8	9	10	11
Scheduled Banks	1949	3	5	41	63	10	15	11	17	65
	1950	1	1	45	61	9	12	19	26	74
	1951	—	—	45	59	10	13	21	28	76
	1952	3	4	40	52	11	14	23	30	77
	1953	1	1	38	52	12	16	22	30	73
	1954	2	3	31	43	19	26	20	28	72
Non-Scheduled Banks	1955	2	3	32	44	16	22	22	31	72
	1949	37	11	202	60	48	14	49	15	336
	1950	28	8	203	61	49	15	55	16	335
	1951	26	9	173	57	49	16	53	18	301
	1952	38	9	249	59	66	16	70	17	423
	1953	28	7	248	60	70	17	68	16	414
All Banks	1954	26	7	229	57	78	20	67	17	400
	1955	23	6	219	57	72	19	72	19	386
	1949	40	10	243	61	58	14	60	15	401
	1950	29	7	248	61	58	14	74	18	409
	1951	26	7	218	58	59	16	74	20	377
	1952	41	8	289	58	77	15	93	19	500
	1953	29	6	286	59	82	17	90	18	487
	1954	28	6	260	55	97	21	87	18	472
	1955	25	5	251	55	88	19	94	21	458

Note :—(1) The statement excludes banking companies incorporated outside India.

(2) The statement is based on returns as on the last Friday of the year and figures may not tally with the year-end figures in audited balance sheets.

STATEMENT 10
UNCLAIMED DEPOSITS HELD BY BANKING COMPANIES

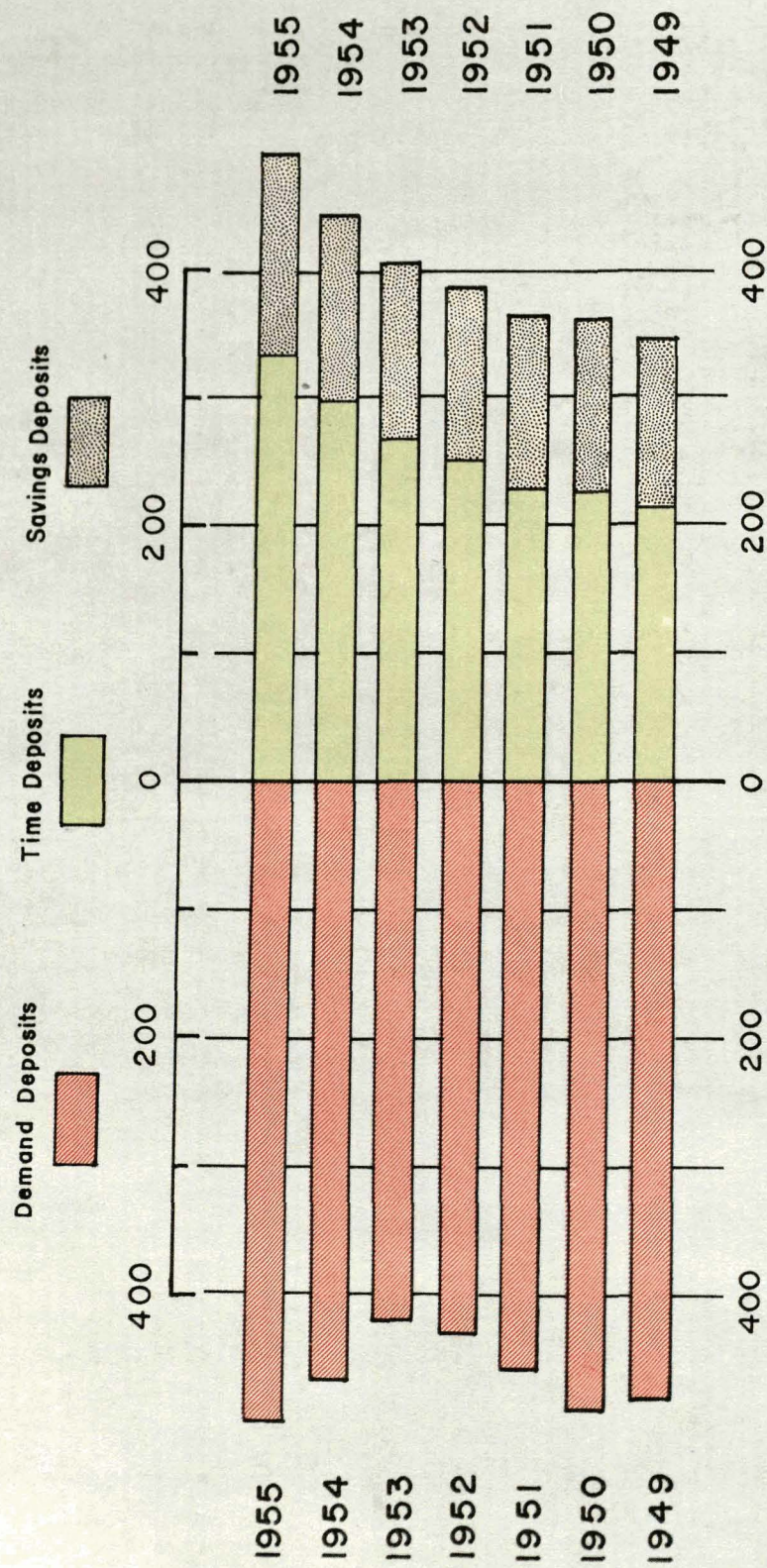
(Amount in lakhs of rupees)

Particulars	December 31, 1953				December 31, 1954			
	No. of reporting banking companies		No. of banking companies showing unclaimed accounts		No. of reporting banking companies		No. of banking companies showing unclaimed accounts	
	Number	Percentage to total	Amount	Percentage to total	Number	Percentage to total	Amount	Percentage to total
1	2	3	4	5	6	7	8	9
I. Nature of accounts								
1. Current ..	46,595	27	34	22	50,268	26	44	25
2. Savings ..	1,22,176	70	76	48	1,34,290	71	83	47
3. Fixed ..	745	—	41	26	916	—	42	24
4. Others ..	4,868	3	6	4	5,115	3	6	4
II. Interest credited			1				1	
III. Incidental charges debited ..			@				@	
IV. Total ..	1,74,384		1,58		1,90,589		1,76	

@ Less than Rs. 50,000.

GRAPH 7

COMPOSITION OF DEPOSITS OF SCHEDULED BANKS IN INDIA 1949 - 1955 (Crores of Rupees)



STATEMENT II

PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR DEPOSITS

(As on the last Friday of the year) (Amount in crores of rupees)

Size of deposits	No. of re- porting banking com- panies	Paid-up capital and re- serves*	Deposits			Cash in hand and balances with the Reserve Bank	Invest- ments in Govern- ment secur- ities@	Other invest- ments	Loans and ad- vances
			Demand	Time	Total				
1	2	3	4	5	6	7	8	9	10
A. SCHEDULED BANKS									
1. Below Rs. 5 lakhs	4	0.4	—	—	—	—	—	—	0.2
2. Rs. 5 lakhs to Rs. 10 lakhs	1	0.1 (100.0)	—	0.1 (100.0)	0.1	—	—	—	0.1 (100.0)
3. Rs. 10 lakhs to Rs. 50 lakhs	9	1.3 (52.0)	1.4 (56.0)	1.1 (44.0)	2.5	0.3 (12.0)	0.9 (36.0)	0.3 (12.0)	4.4 (176.0)
4. Rs. 50 lakhs to Rs. 1 crore	18	2.9 (22.8)	4.9 (38.6)	7.9 (62.2)	12.7	1.6 (12.6)	5.3 (41.7)	1.0 (7.9)	8.3 (65.4)
5. Rs. 1 crore to Rs. 5 crores	27	8.6 (13.6)	30.3 (48.0)	32.8 (52.0)	63.2	8.5 (13.4)	20.2 (32.0)	2.4 (3.8)	43.9 (69.5)
6. Rs. 5 crores to Rs. 10 crores	11	5.5 (6.7)	41.8 (51.2)	39.8 (48.8)	81.6	9.6 (11.8)	25.6 (31.4)	2.0 (2.5)	55.4 (67.9)
7. Rs. 10 crores to Rs. 20 crores. . . .	7	5.0 (5.4)	50.1 (54.5)	41.8 (45.5)	91.9	9.6 (10.4)	26.7 (29.1)	4.3 (4.7)	60.5 (65.8)
8. Rs. 20 crores and above	12	40.2 (5.3)	475.6 (62.5)	285.8 (37.5)	761.3	70.7 (9.3)	304.0 (39.9)	20.1 (2.6)	440.8 (57.9)
9. Total of 1 to 8	89	64.0 (6.3)	604.2 (59.6)	409.2 (40.4)	1,013.4	100.2 (9.9)	382.8 (37.8)	30.2 (3.0)	613.6 (60.5)
B. NON-SCHEDULED BANKS									
10. Below Rs. 5 lakhs	226	3.2 (86.5)	1.2 (32.4)	2.5 (67.6)	3.7	0.5 (13.5)	0.8 (21.6)	0.4 (10.8)	4.4 (118.9)
11. Rs. 5 lakhs to Rs. 10 lakhs	49	0.9 (24.3)	1.1 (29.7)	2.6 (70.3)	3.7	0.4 (10.8)	0.8 (21.6)	0.4 (10.8)	2.6 (70.3)
12. Rs. 10 lakhs to Rs. 50 lakhs	86	3.0 (17.8)	4.9 (29.0)	12.0 (71.0)	16.9	1.7 (10.1)	4.7 (27.8)	1.4 (8.3)	11.1 (65.7)
13. Rs. 50 lakhs to Rs. 1 crore	17	1.7 (15.0)	3.0 (26.5)	8.3 (73.5)	11.3	0.9 (8.0)	2.9 (25.7)	0.5 (4.4)	7.4 (65.5)
14. Rs. 1 crore to Rs. 5 crores	7	0.9 (8.0)	4.4 (38.9)	6.9 (61.1)	11.3	1.1 (9.7)	3.5 (31.0)	1.0 (8.8)	5.8 (51.3)
15. Rs. 5 crores to Rs. 10 crores	1	0.9 (10.8)	2.7 (33.0)	5.5 (67.0)	8.3	0.8 (9.6)	4.0 (48.2)	0.7 (8.4)	4.4 (53.0)
16. Rs. 10 crores to Rs. 20 crores.. . .	1	1.6 (11.6)	8.3 (59.8)	5.6 (40.2)	13.8	0.9 (6.5)	8.2 (59.4)	1.3 (9.4)	5.1 (37.0)
17. Total of 10 to 16	387	12.1 (17.6)	25.6 (37.2)	43.4 (62.8)	68.9	6.2 (9.0)	24.9 (36.1)	5.7 (8.3)	40.7 (59.1)
C. ALL BANKS									
18. Below Rs. 5 lakhs	230	3.6 (97.3)	1.2 (32.4)	2.5 (67.6)	3.7	0.5 (13.5)	0.8 (21.6)	0.4 (10.8)	4.6 (124.3)
19. Rs. 5 lakhs to Rs. 10 lakhs	50	1.0 (27.0)	1.1 (29.7)	2.6 (70.3)	3.7	0.4 (10.8)	0.9 (24.3)	0.4 (10.8)	2.7 (73.0)
20. Rs. 10 lakhs to Rs. 50 lakhs	95	4.3 (22.2)	6.3 (32.5)	13.1 (67.5)	19.4	2.0 (10.3)	5.6 (28.9)	1.7 (8.8)	15.5 (79.9)
21. Rs. 50 lakhs to Rs. 1 crore	35	4.7 (19.6)	7.9 (32.9)	16.1 (67.1)	24.0	2.4 (10.0)	8.2 (34.2)	1.5 (6.2)	15.8 (65.8)
22. Rs. 1 crore to Rs. 5 crores	34	9.5 (12.8)	34.7 (46.6)	39.7 (53.4)	74.4	9.6 (12.9)	23.7 (31.9)	3.4 (4.6)	49.7 (66.8)
23. Rs. 5 crores to Rs. 10 crores	12	6.4 (7.1)	44.6 (49.6)	45.3 (50.4)	89.9	10.3 (11.5)	29.5 (32.8)	2.7 (3.0)	59.7 (66.4)
24. Rs. 10 crores to Rs. 20 crores. . . .	8	6.6 (6.2)	58.4 (55.2)	47.4 (44.8)	105.8	10.5 (9.9)	35.0 (33.1)	5.6 (5.3)	65.6 (62.0)
25. Rs. 20 crores and above	12	40.2 (5.3)	475.6 (62.5)	285.8 (37.5)	761.3	70.7 (9.3)	304.0 (39.9)	20.1 (2.6)	440.8 (57.9)
26. Total of all banks	476	76.2 (7.0)	629.8 (58.2)	452.5 (41.8)	1,082.3	106.4 (9.8)	407.7 (37.7)	35.9 (3.3)	654.3 (60.5)

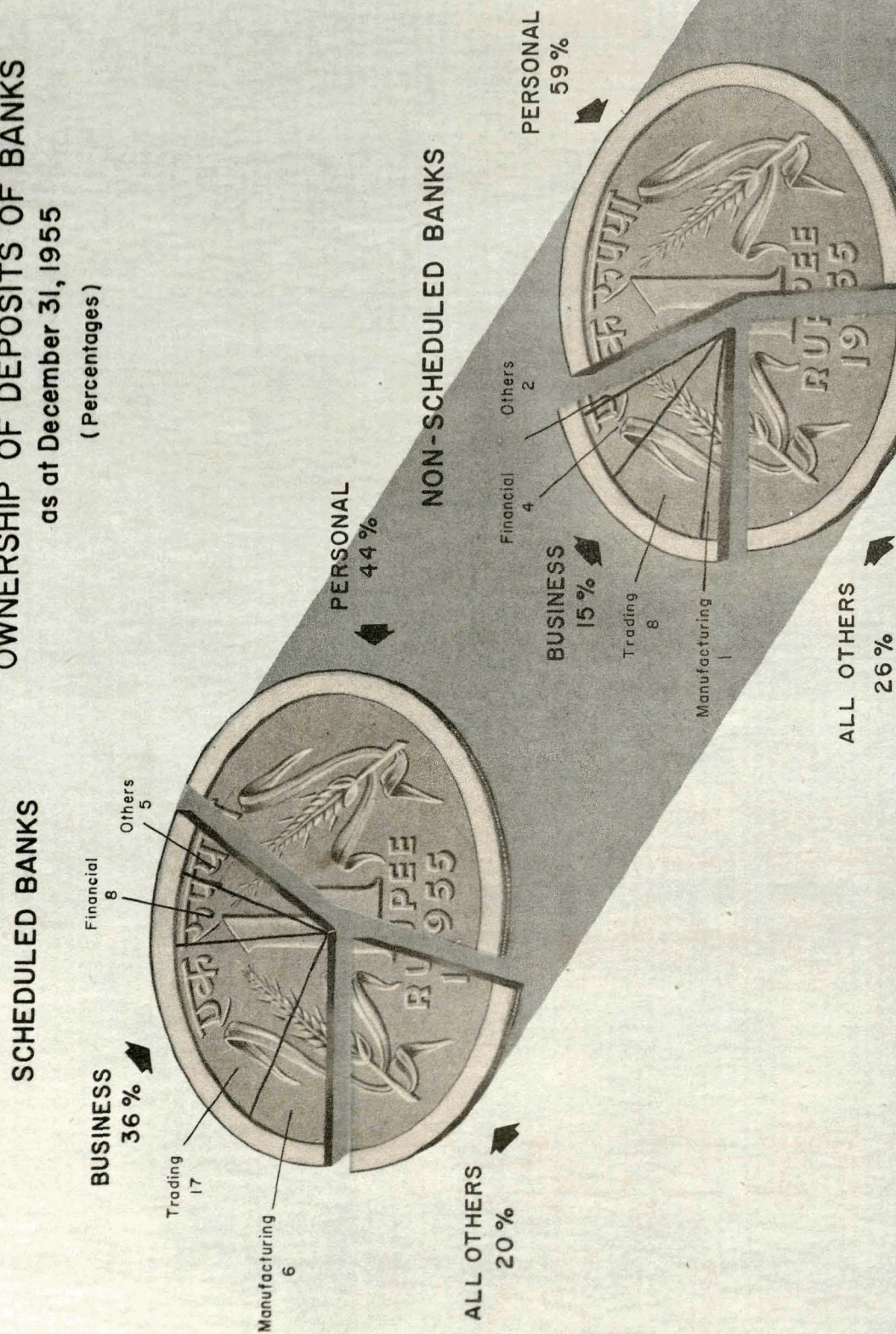
Note :—Figures in brackets indicate the percentages of individual items to total deposits of banking companies in each group.

* Exclude paid-up capital of banking companies incorporated outside India.

@ Include Treasury Bills.

GRAPH 8

OWNERSHIP OF DEPOSITS OF BANKS
as at December 31, 1955
(Percentages)



STATEMENT 12

DEPOSITS* OF SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1955

(Amount in crores of rupees)

Rate of interest	Last day of			Major Indian Scheduled Banks†		Exchange Banks		All Scheduled Banks	
				Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total
1. Nil	Mar.	1955		191.3	32.7	46.1	26.5	248.2	26.9
	June	"		181.3	30.1	49.4	27.1	242.0	25.3
	Sept.	"		189.9	30.9	50.1	27.0	251.0	25.6
	Dec.	"		197.0	31.8	51.3	27.4	260.1	26.2
2. More than 0% but upto and including ½%	Mar.	1955		75.1	12.8	44.3	25.5	146.9	15.9
	June	"		80.3	13.4	43.2	23.7	153.1	16.0
	Sept.	"		78.1	12.7	43.9	23.7	151.3	15.6
	Dec.	"		79.0	12.7	45.1	24.1	155.5	15.6
3. More than ½% but upto and including ¾%	Mar.	1955		5.8	1.0	0.2	0.1	11.8	1.3
	June	"		4.1	0.7	1.2	0.6	11.4	1.2
	Sept.	"		3.0	0.6	0.1	0.1	9.6	1.0
	Dec.	"		3.0	0.6	0.2	0.1	10.2	1.0
4. More than ¾% but upto and including 1%	Mar.	1955		73.1	12.6	3.0	1.7	81.3	8.8
	June	"		74.1	12.3	2.0	1.1	81.4	8.5
	Sept.	"		75.3	12.2	2.2	1.2	82.3	8.4
	Dec.	"		76.2	12.3	2.2	1.2	84.5	8.5
5. More than 1% but upto and including 1½%	Mar.	1955		51.8	8.9	13.4	7.7	80.9	8.8
	June	"		52.4	8.7	14.5	8.0	83.0	8.7
	Sept.	"		54.8	8.9	14.1	7.6	85.0	8.7
	Dec.	"		54.2	8.8	14.0	7.5	84.2	8.5
6. More than 1½% but upto and including 2%	Mar.	1955		12.2	2.1	26.8	15.4	51.2	5.6
	June	"		14.5	2.4	25.6	14.1	52.0	5.4
	Sept.	"		15.8	2.6	26.5	14.3	55.1	5.6
	Dec.	"		15.0	2.4	24.9	13.3	53.2	5.3
7. More than 2% but upto and including 2½%	Mar.	1955		33.4	5.7	8.6	5.0	52.4	5.7
	June	"		28.4	4.7	10.3	5.7	49.1	5.1
	Sept.	"		34.7	5.6	10.2	5.5	56.9	5.8
	Dec.	"		28.6	4.6	9.5	5.1	49.7	5.0
8. More than 2½% but upto and including 3%	Mar.	1955		109.1	18.6	26.3	15.1	163.1	17.7
	June	"		131.4	21.9	30.8	16.9	195.1	20.4
	Sept.	"		126.8	20.6	34.8	18.8	195.1	19.9
	Dec.	"		127.8	20.6	36.2	19.4	196.4	19.8
9. More than 3% but upto and including 4%	Mar.	1955		28.5	4.9	4.6	2.7	73.1	7.9
	June	"		29.4	4.9	4.7	2.6	75.8	7.9
	Sept.	"		31.5	5.1	2.7	1.5	80.0	8.2
	Dec.	"		33.8	5.5	2.8	1.5	85.8	8.6
10. More than 4% but upto and including 5%	Mar.	1955		5.0	0.9	0.6	0.4	12.2	1.3
	June	"		5.4	0.9	0.7	0.4	12.9	1.4
	Sept.	"		5.3	0.9	0.8	0.4	13.0	1.3
	Dec.	"		5.5	0.9	0.7	0.4	13.5	1.4
11. Over 5%	Mar.	1955		0.1	—	—	—	0.4	—
	June	"		0.1	—	—	—	0.3	—
	Sept.	"		0.1	—	—	—	0.4	—
	Dec.	"		—	—	—	—	0.3	—
Total	Mar.	1955		585.2	100.0	173.8	100.0	921.6	100.0
	June	"		601.4	100.0	182.3	100.0	956.1	100.0
	Sept.	"		615.1	100.0	185.5	100.0	979.7	100.0
	Dec.	"		620.2	100.0	187.0	100.0	993.3	100.0

Note :—Figures relate to 9 major Indian scheduled banks for each quarter; to 14 exchange banks in March and to 15 in the subsequent quarters; in the case of all scheduled banks to 86 in March, 85 in June, 87 in September and 86 in December.

* Relate to deposits calculated on the same basis as for the return on Form XIII under the Banking Companies Act, but exclude contingency unadjusted accounts.

† Banks each with deposits of Rs. 25 crores and over.

STATEMENT 13

DEPOSITS* OF NON-SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1955

(Amount in lakhs of rupees)

Rate of interest	Last day of	March		June		September		December	
		Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total
1. Nil		4,67	7.4	4,74	7.5	4,84	7.4	5,04	7.4
2. More than 0% but upto and including ½%		1,45	2.3	1,54	2.5	1,45	2.2	1,70	2.6
3. More than ½% but upto and including ¾%		3,75	5.9	3,55	5.6	3,97	6.1	3,91	5.8
4. More than ¾% but upto and including 1%		1,96	3.1	1,96	3.1	1,83	2.8	2,07	3.1
5. More than 1% but upto and including 1½%		3,34	5.3	3,41	5.4	3,37	5.2	3,48	5.1
6. More than 1½% but upto and including 2%		6,20	9.7	6,71	10.7	6,82	10.4	6,76	10.0
7. More than 2% but upto and including 2½%		4,97	7.8	4,50	7.2	5,08	7.8	4,94	7.3
8. More than 2½% but upto and including 3%		9,74	15.3	8,87	14.1	10,80	16.5	13,26	19.5
9. More than 3% but upto and including 4%		12,99	20.4	12,61	20.1	11,71	17.9	10,70	15.8
10. More than 4% but upto and including 5%		10,49	16.5	11,10	17.7	11,71	17.9	12,20	18.0
11. Over 5%		3,98	6.3	3,89	6.2	3,91	6.0	3,83	5.6
Total ..		63,54	100.0	62,87	100.0	65,47	100.0	67,88	100.0

Note :—Figures relate to 366 and 354 banks for the March and June quarters, respectively and 346 banks for subsequent quarters.

* Relate to deposits calculated on the same basis as for the return in Form XIII under the Banking Companies Act, but exclude contingency unadjusted accounts.

STATE
OWNERSHIP OF DEPOSITS OF
(By Types)

Number of reporting banks	SCHEDULED			
	December 31, 1954		June 30, 1955	
	85		86	
	Amount	Percentage to group total	Amount	Percentage to group total
1	2	3	4	5
I Demand deposits of				
(1) Manufacturing concerns	48,82	10.5	50,29	10.3
(2) Trading concerns	108,98	23.5	120,52	24.7
(3) Public utility (e.g., transport and communications, gas, electricity, etc.) concerns ..	7,16	1.5	9,66	2.0
(4) Mining concerns	2,71	0.6	2,89	0.6
(5) Plantation concerns	12,60	2.7	14,33	2.9
(6) Financial concerns	55,58	12.0	64,48	13.2
(a) Banks	32,69	7.0	37,31	7.7
(b) Insurance companies	12,02	2.6	13,50	2.8
(c) Co-operative banks and societies ..	5,93	1.3	8,17	1.7
(d) Others	4,94	1.1	5,50	1.1
(7) Personal	114,67	24.7	123,36	25.3
(8) Government and quasi-Government bodies	48,94	10.5	37,82	7.8
(9) Others	55,42	11.9	53,83	11.0
(10) Unclassified @	9,75	2.1	10,30	2.1
Total of I	464,63	100.0	487,48	100.0
II. Savings deposits of				
(11) Business†	2,08	1.4	2,19	1.4
(12) Personal	140,40	95.9	149,12	95.9
(13) Others	3,98	2.7	4,19	2.7
(14) Unclassified @				
Total of II	146,46	100.0	155,50	100.0
III. Time deposits of				
(15) Trading concerns	55,04	18.4	58,57	18.3
(16) Financial concerns	15,73	5.3	17,96	5.6
(17) Other business deposits	12,18	4.1	10,62	3.3
(18) Personal	153,97	51.5	163,59	51.0
(19) Government and quasi-Government bodies	35,71	12.0	40,14	12.5
(20) Others	24,69	8.3	28,24	8.8
(21) Unclassified @	1,53	0.5	1,64	0.5
Total of III	298,85	100.0	320,76	100.0
Grand Total	909,93		963,74	

@ Accounts of less than Rs. 500.

† Included under unclassified savings deposits since December 31, 1955.

MENT 14

BANKS IN INDIA, 1955

of Deposits)

(Amount in lakhs of rupees)

BANKS		NON-SCHEDULED BANKS*					
December 31, 1955		December 31, 1954		June 30, 1955		December 31, 1955	
84		150		152		154	
Amount	Percentage to group total	Amount	Percentage to group total	Amount	Percentage to group total	Amount	Percentage to group total
6	7	8	9	10	11	12	13
59,93	12.1	97	6.6	53	3.8	81	5.0
114,39	23.0	1,84	12.5	2,13	15.2	2,14	13.3
11,43	2.3	9	0.6	13	0.9	38	2.4
3,62	0.7	5	0.3	4	0.3	2	0.1
11,00	2.2	35	2.4	22	1.6	23	1.4
59,69	12.0	99	6.7	84	6.0	1,22	7.6
33,96	6.8	63	4.3	42	3.0	72	4.5
14,13	2.8	8	0.5	11	0.8	10	0.6
6,55	1.3	19	1.3	23	1.6	22	1.4
5,05	1.0	9	0.6	8	0.6	17	1.1
125,55	25.3	2,84	19.2	3,13	22.3	3,10	19.3
39,35	7.9	5,05	34.2	5,22	37.3	6,15	38.2
61,63	12.4	1,87	12.7	95	6.8	1,22	7.6
10,37	2.1	75	5.1	83	5.9	82	5.1
496,96	100.0	14,78	100.0	14,01	100.0	16,09	100.0
140,79	86.6	44	4.2	46	4.0	9,11	75.3
4,70	2.9	60	5.7	69	6.0	82	6.8
17,05	10.5					2,09	17.4
162,53	100.0	10,56	100.0	11,40	100.0	12,02	100.0
58,89	17.6	2,99	9.4	3,46	10.7	2,99	8.8
15,87	4.8	73	2.3	87	2.7	82	2.4
18,01	5.4	53	1.7	56	1.7	44	1.3
174,26	52.2	21,76	63.5	22,70	69.9	24,48	71.9
36,68	11.0	3,35	10.5	2,19	6.7	2,25	6.6
28,54	8.5	1,50	4.7	1,71	5.3	2,06	6.1
1,78	0.5	92	2.9	98	3.0	99	2.9
334,03	100.0	31,77	100.0	32,47	100.0	34,04	100.0
993,53		57,11		57,88		62,15	

* Each having total deposits of Rs. 5 lakhs and over.

STATE
OWNERSHIP OF DEPOSITS
(By Types)

No. of reporting banks		SCHEDULED			
		December 31, 1954		June 30, 1955	
		85		86	
		Amount	Percentage to total deposits	Amount	Percentage to total deposits
1		2	3	4	5
I. Business deposits of:					
1. Manufacturing concerns	48,82	5.4	50,29	5.2
2. Trading concerns	164,02	18.0	179,09	18.6
3. Public utility (e.g., transport and communications, gas, electricity, etc.) concerns	7,16	0.8	9,66	1.0
4. Mining concerns	2,71	0.3	2,89	0.3
5. Plantation concerns	12,60	1.4	14,33	1.5
6. Financial concerns	71,31	7.8	82,44	8.6
7. Others	12,18	1.3	10,62	1.1
8. Savings bank business deposits@	2,08*	0.2	2,19*	0.2
Total business deposits	320,88	35.3	351,51	36.5
II. Personal deposits	409,04	45.0	436,08	45.2
III. Govt. and quasi-Govt. bodies	84,65	9.3	77,96	8.1
IV. Others	84,09	9.2	86,25	9.0
V. Unclassified†	11,28	1.2	11,95	1.2
GRAND TOTAL	909,93	100.0	963,75	100.0

* Breakdown not available.

† Accounts of less than Rs. 500.

@ Included under unclassified savings deposits since December 31, 1955.

MENT 15
OF BANKS IN INDIA, 1955
of Depositors)

(Amount in lakhs of rupees)

BANKS		NON-SCHEDULED BANKS ††					
December 31, 1955		December 31, 1954		June 30, 1955		December 31, 1955	
84		150		152		154	
Amount	Percentage to total deposits	Amount	Percentage to total deposits	Amount	Percentage to total deposits	Amount	Percentage to total deposits
6	7	8	9	10	11	12	13
59,93	6.0	97	1.7	53	0.9	81	1.3
173,28	17.4	4,83	8.5	5,59	9.7	5,13	8.3
11,43	1.2	9	0.2	13	0.2	38	0.6
3,62	0.4	5	0.1	4	0.1	2	—
11,00	1.1	35	0.6	22	0.4	23	0.4
75,55	7.6	1,72	3.0	1,71	3.0	2,04	3.3
18,01	1.8	53	0.9	56	1.0	44	0.7
		44*	0.7	46*	0.8		
352,82	35.5	8,96	15.7	9,25	16.0	9,04	14.5
440,60	44.3	34,11	59.7	36,09	62.4	36,69	59.0
76,04	7.7	8,40	14.7	7,41	12.8	8,40	13.5
94,87	9.5	3,97	7.0	3,35	5.8	4,10	6.6
29,20	2.9	1,67	2.9	1,81	3.1	3,91	6.3
993,53	100.0	57,11	100.0	57,88	100.0	62,15	100.0

†† Each having total deposits of Rs. 5 lakhs and over.

STATEMENT 16

USUAL INTEREST RATES ALLOWED BY MAJOR* INDIAN SCHEDULED AND EXCHANGE BANKS ON DEPOSITS, 1955

	(Rate per cent per annum)											
	BOMBAY				CALCUTTA				MADRAS			
	31-3-55	30-6-55	30-9-55	31-12-55	31-3-55	30-6-55	30-9-55	31-12-55	31-3-55	30-6-55	30-9-55	31-12-55
Call deposits :												
Inter-bank ..	2½-3	1½-3	2-3	2½-3	3-3½	2½-3½	2½-3	2½-3½	2½-3	2½-2½	2½-3	2½-3½
Public ..	2½-3	2½-3	2½-3	2½-3½	1-3	1-3	1-3	1-3	1-3	1-3	1-3	1-3½
Current account ..	1-1½	1	1	1	1	1	1	1	1	1	1	1
Savings bank ..	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2	1-2
Fixed deposits for :												
Three months ..	1-3½	1-3½	1-3½	1-3½	1-3	1-3	1-3	1-3	2½-3½	2½-3½	2½-3½	2½-3
Six months ..	1½-3½	1½-3½	1½-3½	1½-3½	1-3	1-3	1-3	1-3	2-3½	2-3½	2-3½	2-3½
One year ..	1½-3½	1½-3½	1½-3½	1½-3½	1½-3	1½-3	1½-3	1½-3	1½-3½	1½-3½	1½-3½	1½-3½
Three years ..	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½

Note :—Usual rate means the rate of interest paid on the largest portion of deposits.

Banks each with deposits of Rs. 25 crores and over.

STATEMENT 17

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES
ACCORDING TO THE RATIO OF THEIR INVESTMENTS IN
GOVERNMENT SECURITIES TO TOTAL DEPOSITS

(As on the last Friday of the year)

Percentage of investments in Government securities to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1954		1955		1954		1955		1954		1955	
	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total
1	2	3	4	5	6	7	8	9	10	11	12	13
Below 1 ..	—	—	1	1	72	18	63	16	72	18	64	13
From 1 to 10 ..	5	6	4	5	68	17	61	16	73	18	65	14
From 11 to 20 ..	15	17	16	18	101	25	104	27	116	24	120	25
From 21 to 30 ..	22	25	19	21	81	20	77	20	103	21	96	20
From 31 to 40 ..	20	23	18	20	33	8	30	8	53	11	48	10
From 41 to 50 ..	14	16	19	21	15	4	18	5	29	6	37	8
From 51 to 80 ..	9	10	8	9	18	5	22	6	27	5	30	6
81 and above ..	3	3	4	5	13	3	12	3	16	3	16	3
Total ..	88		89		401		387		489		476	

STATEMENT 18

CLASSIFICATION OF THE NUMBER OF BANKING
COMPANIES ACCORDING TO THE RATIO OF
THEIR ADVANCES TO TOTAL DEPOSITS

(As on the last Friday of the year)

Percentage of advances to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1954		1955		1954		1955		1954		1955	
	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total	Num- ber	Per- cent- age to total
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 31 ..	1	1	1	1	11	3	13	3	12	2	14	3
From 31 to 50 ..	19	22	14	16	21	5	26	7	40	8	40	8
From 51 to 70 ..	42	48	44	49	79	20	101	26	121	25	145	30
From 71 to 100 ..	14	16	14	16	134	33	108	28	148	30	122	26
Above 100 ..	12	14	16	18	156	39	139	36	163	34	155	33
Total ..	88		89		401		387		489		476	

STATEMENT 19
CHEQUE CLEARANCES AND NUMBER OF CHEQUES CLEARED,
1953-1955

Centre	1953		1954		1955	
	Number of cheques	Amount in lakhs of rupees	Number of cheques	Amount in lakhs of rupees	Number of cheques	Amount in lakhs of rupees
1	2	3	4	5	6	7
Bangalore ..	8,11,302	89,25	8,59,055	98,48	9,16,400	102,94
Bombay ..	1,14,83,214	2,645,05	1,24,56,505	2,758,75	1,33,44,912	2,995,53
Calcutta ..	72,31,758	2,494,36	76,94,694	2,754,28	80,35,485	3,056,31
Delhi ..	18,14,364	176,22	21,56,337	204,70	22,61,751	233,03
Kanpur ..	8,19,155	146,47	8,56,628	141,90	8,95,789	146,11
Madras ..	35,80,841	397,63	39,37,950	361,94	41,45,873	412,21
Others*	54,58,322	654,27	61,12,153	744,21	68,62,953	872,88
Total ..	3,11,98,956	6,603,25	3,40,73,322	7,064,26	3,64,63,163	7,819,01

* Include the clearing houses at Agra; Ahmedabad; Allahabad; Alleppey; Amritsar; Bareilly; Cochin (from March 1954); Coimbatore; Dehra Dun; Gaya; Gorakhpur (from July 1955); Hyderabad—Deccan; Jaipur (from April 1952); Jullundur City; Kozhikode (Calicut); Lucknow; Mangalore; Mathurai (Madura); Muzaffarpur; Nagpur; New Delhi; Patna; Poona; Rajkot; Simla and Vijayawada (from May 1955).

STATEMENT 20
VELOCITY OF CIRCULATION OF DEPOSIT MONEY

(Amount in crores of rupees)

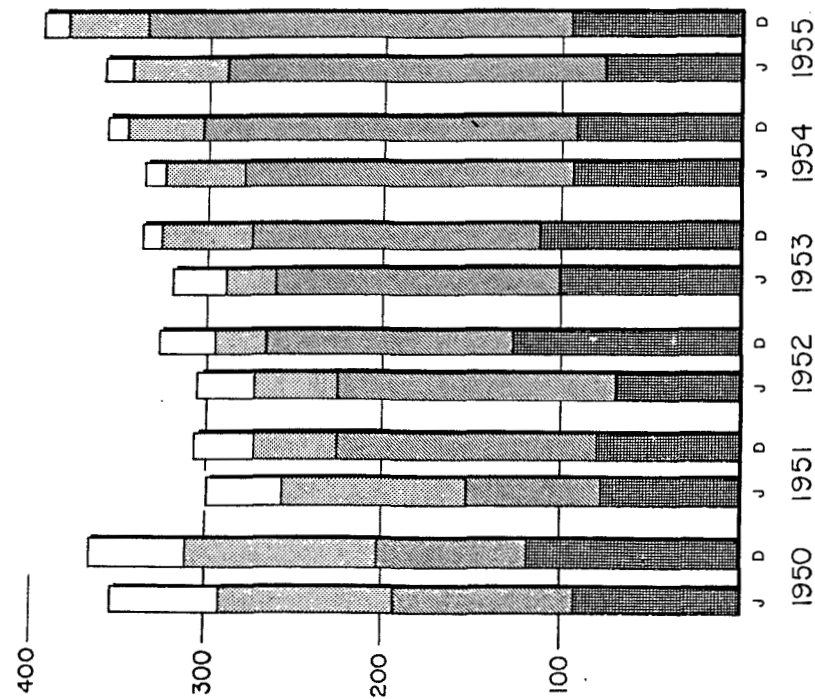
1						Average demand liabilities of scheduled banks	Total cheque clearances	Ratio of 3 to 2
						2	3	4
Annual								
1950	595.2	6,278.2	10.5
1951	604.5	7,878.0	13.0
1952	556.7	6,853.4	12.3
1953	528.4	6,603.3	12.5
1954	555.8	7,064.3	13.0
1955	596.9	7,819.0	13.1
1955-Monthly*								
January	576.8	623.7	13.0
February	585.4	620.9	12.7
March	578.1	742.6	15.4
April	587.7	644.5	13.2
May	585.8	628.9	12.9
June	594.8	598.1	12.1
July	600.2	625.8	12.5
August	604.9	640.3	12.7
September	604.0	680.8	13.5
October	612.9	616.3	12.1
November	612.4	674.0	13.2
December	614.7	723.5	14.4

* Monthly ratios are expressed at annual rates.

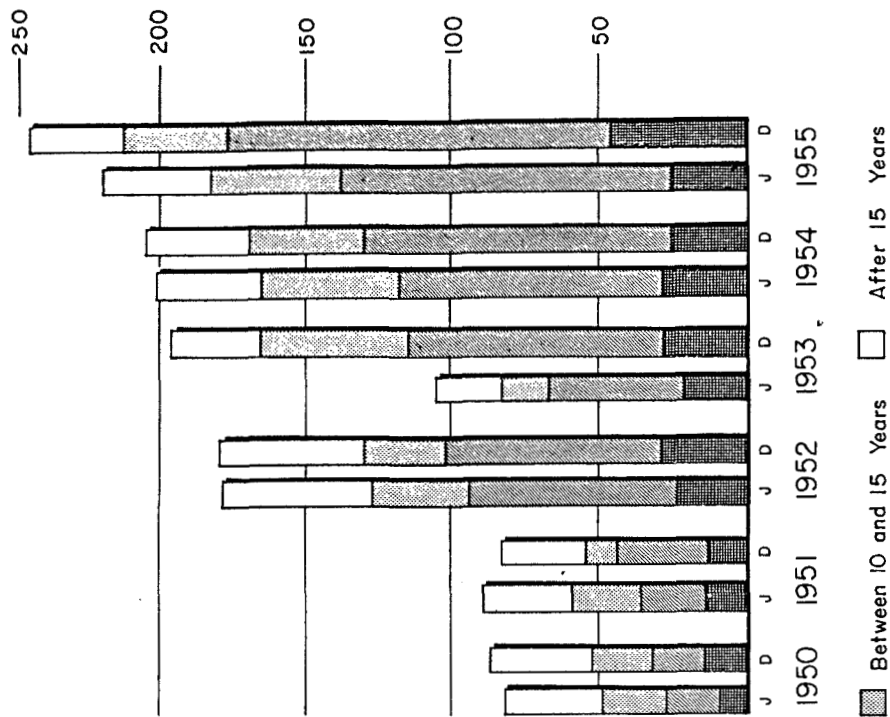
MATURITY DISTRIBUTION OF INVESTMENTS IN GOVERNMENT SECURITIES

(Crores of Rupees)

SCHEDULED BANKS



NON-SCHEDULED BANKS



STATEMENT 21

INVESTMENTS OF BANKS IN GOVERNMENT SECURITIES, 1955

(Amount in lakhs of rupees)

		SCHEDULED BANKS						NON-SCHEDULED BANKS@					
		December 31, 1954		June 30, 1955		December 31, 1955		December 31, 1954		June 30, 1955		December 31, 1955	
Number of reporting banks		83		88		84		167		167		178	
		Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total
1	2	3	4	5	6	7	8	9	10	11	12	13	
I. Treasury Bills	..	6.69	1.9	3.58	1.0	9.99	2.5	—	—	—	—	—	—
II. Securities* maturing													
(i) Within 5 years	..	85.95	24.0	73.56	20.5	84.65	21.4	2.45	12.0	2.50	11.4	4.57	18.7
(ii) Between 5-10 years	..	209.55	58.6	211.41	58.9	239.59	60.5	10.53	51.4	11.29	51.4	13.12	53.6
(iii) Between 10-15 years	..	41.25	11.5	55.03	15.3	46.52	11.7	3.94	19.2	4.48	20.4	3.47	14.2
(iv) After 15 years	..	14.07	3.9	15.11	4.2	15.34	3.9	3.58	17.5	3.70	16.8	3.33	13.6
III. Total (I+II)		357.53	100.0	358.70	100.0	396.09	100.0	20.50	100.0	21.97	100.0	24.48	100.0

@ Each having total investments of Rs. 1 lakh and over.

* Face value.

STATE ANALYSIS OF INVESTMENTS

Number of reporting banks	SCHEDULED					
	December 31, 1954			June 30, 1955		
	83			88		
	Amount	Percent- age to group total	Percent- age to total invest- ments	Amount	Percent- age to group total	Percent- age to total invest- ments
	2	3	4	5	6	7
A. Government securities†						
(i) Central Government	322,40	90.2	77.9	323,04	90.1	77.5
(ii) State Governments	34,95	9.8	8.4	35,47	9.9	8.5
(iii) Others, mainly postal*	18	—	—	19	0.1	—
Total of A	357,53	100.0	86.4	358,70	100.0	86.1
B. Other investments in India						
(i) Other trustee securities	10,77	33.2	2.6	11,22	32.2	2.7
(ii) Fixed deposits	3,52	10.8	0.9	2,71	7.8	0.7
(iii) Shares of joint stock companies	6,87	21.2	1.7	9,05	26.0	2.2
(iv) Debentures of joint stock com- panies	4,40	13.6	1.1	4,79	13.8	1.1
(v) Real estate	6,54	20.1	1.6	6,60	19.0	1.6
(vi) Bullion	2	—	—	2	0.1	—
(vii) Others	35	1.1	0.1	43	1.2	0.1
Total of B	32,46	100.0	7.8	34,82	100.0	8.4
C. Foreign investments						
(i) In Pakistan	9,15	33.3	2.2	9,34	40.1	2.2
(ii) In the United Kingdom	5,41	22.7	1.3	5,07	21.8	1.2
(iii) In other countries	9,31	39.0	2.2	8,89	38.2	2.1
Total of C	23,86	100.0	5.8	23,29	100.0	5.6
Total of A, B and C	413,85	100.0		416,81	100.0	

† Face value.

* Include Treasury Savings Deposit Certificates and postal obligations.

MENT 22
OF BANKS, 1955

(Amount in lakhs of rupees)

BANKS			NON-SCHEDULED BANKS @								
December 31, 1955			December 31, 1954			June 30, 1955			December 31, 1955		
84			167			181			178		
Amount	Percent- age to group total	Percent- age to total invest- ments	Amount	Percent- age to group total	Percent- age to total invest- ments	Amount	Percent- age to group total	Percent- age to total invest- ments	Amount	Percent- age to group total	Percent- age to total invest- ments
8	9	10	11	12	13	14	15	16	17	18	19
345,00	87.1	76.1	14,58	71.1	55.9	15,71	71.5	55.7	17,04	69.6	56.6
50,91	12.9	11.2	5,35	26.1	20.5	5,62	25.6	19.9	6,82	27.8	22.7
18	—	—	57	2.8	2.2	64	2.9	2.3	63	2.6	2.1
396,09	100.0	87.3	20,50	100.0	78.6	21,97	100.0	77.9	24,48	100.0	81.4
13,86	38.2	3.1	1,56	30.2	6.0	1,67	28.5	5.9	1,70	32.4	5.7
3,37	9.3	0.7	1,12	21.7	4.3	1,73	29.5	6.1	1,23	23.4	4.1
7,66	21.1	1.7	80	15.5	3.1	78	13.3	2.8	68	13.0	2.3
4,20	11.6	0.9	50	9.7	1.9	44	7.5	1.6	46	8.8	1.5
6,80	18.7	1.5	1,03	20.0	4.0	1,08	18.4	3.8	1,07	20.4	3.6
2	0.1	—	2	0.4	0.1	3	0.5	—	3	0.6	0.1
39	1.1	0.1	13	2.5	0.5	13	2.2	0.5	8	1.5	0.3
36,30	100.0	8.0	5,16	100.0	19.8	5,86	100.0	20.8	5,25	100.0	17.5
5,94	28.1	1.3	41	100.0	1.6	38	97.4	1.3	35	99.9	1.2
5,73	27.1	1.3	—	—	—	1	2.6	—	1	0.1	—
9,47	44.8	2.1	—	—	—	—	—	—	—	—	—
21,14	100.0	4.7	41	100.0	1.6	39	100.0	1.4	35	100.0	1.2
453,53		100.0	26,07		100.0	28,22		100.0	30,08		100.0

@ Each having total investments of Rs. 1 lakh and over.

STATE

ADVANCES OF SCHEDULED BANKS AGAINST

As on the last Friday of	No. of reporting banking companies	Country piece goods and yarn	Cotton and kapas	Jute and hessian	Paddy and rice	Gur and sugar	Wheat, gram, other grains and pulses	Oilseeds (other than ground- nuts)
1	2	3	4	5	6	7	8	9

A. INDIAN SCHE

January ..	74	30,99	40,89	11,49	7,18	20,10	5,77	6,47
February ..	74	31,03	46,72	12,07	9,30	29,38	4,22	7,05
March ..	74	30,28	53,64	12,63	11,63	38,30	4,02	3,49
April ..	74	29,22	55,39	10,68	11,25	44,30	4,59	6,60
May ..	74	27,67	53,60	8,80	10,80	42,42	7,54	11,37
June ..	74	27,28	52,44	6,27	10,19	40,72	11,43	11,57
July ..	74	26,89	48,22	5,63	7,69	38,47	12,74	10,31
August ..	74	28,76	44,39	4,52	5,70	34,22	11,04	9,51
September ..	74	29,64	38,56	5,46	4,16	26,85	8,36	7,44
October ..	74	30,76	32,38	6,86	3,83	23,28	6,69	6,66
November ..	74	28,59	30,63	8,22	4,63	18,05	6,50	6,49
December ..	74	29,98	33,76	11,67	8,02	21,95	8,69	8,24

B. EXCHANGE

January ..	14	6,35	12,29	10,10	—	59	19	55
February ..	14	7,04	12,69	10,30	—	82	10	44
March ..	14	7,25	15,04	11,07	1	98	4	76
April ..	14	7,23	16,22	11,31	—	1,21	9	65
May ..	14	6,84	17,18	10,21	1	1,25	9	64
June ..	15	6,86	16,16	8,97	2	1,22	12	62
July ..	15	6,63	15,27	7,94	5	1,10	17	54
August ..	15	6,82	13,88	7,09	6	1,00	18	46
September ..	15	6,52	11,61	6,42	4	94	20	48
October ..	15	6,34	8,73	6,89	1	70	13	35
November ..	15	6,48	8,61	6,20	3	74	15	44
December ..	15	6,40	10,10	7,09	9	75	17	41

C. ALL SCHE

January ..	88	37,34	53,18	21,59	7,18	20,69	5,96	7,02
February ..	88	38,07	59,41	22,37	9,30	30,20	4,32	7,49
March ..	88	37,53	68,68	23,70	11,64	39,28	4,06	4,25
April ..	88	36,45	71,61	21,99	11,25	45,51	4,68	7,25
May ..	88	34,51	70,78	19,01	10,81	43,67	7,63	12,01
June ..	89	34,14	68,60	15,24	10,21	41,94	11,55	12,19
July ..	89	33,52	63,49	13,57	7,74	39,57	12,91	10,85
August ..	89	35,58	58,27	11,61	5,76	35,22	11,22	9,97
September ..	89	36,16	50,17	11,88	4,20	27,79	8,56	7,92
October ..	89	37,10	41,11	13,75	3,84	23,98	6,82	7,01
November ..	89	35,07	39,24	14,42	4,66	18,79	6,65	6,93
December ..	89	36,38	43,86	18,76	8,11	22,70	8,86	8,65

MENT 23

PRINCIPAL COMMODITIES AND BULLION, 1955

(Amount in lakhs of rupees)

Copra and other coconut products	Pepper and other export spices	Ground-nuts	Gold bullion (other than to banks)	Silver bullion (other than to banks)	Composite advances	Total of 3 to 15	Total advances*
10	11	12	13	14	15	16	17
DULED BANKS							
46	73	5,87	31	61	1,63	1,32,50	3,47,61
48	89	6,95	35	71	1,18	1,50,33	3,60,67
75	96	6,57	27	1,33	1,86	1,65,73	3,66,17
57	94	5,37	38	82	1,79	1,71,90	3,64,92
62	84	4,69	30	99	2,24	1,71,88	3,63,90
68	89	3,80	30	99	1,39	1,67,95	3,64,08
69	69	2,65	20	1,13	1,29	1,56,60	3,55,64
77	71	1,72	36	1,22	1,20	1,44,12	3,60,03
64	68	1,28	28	1,33	1,22	1,25,90	3,56,34
73	66	1,19	28	1,06	1,29	1,15,67	3,50,41
67	54	2,20	54	1,29	1,32	1,09,67	3,51,96
70	83	6,85	66	1,49	1,48	1,34,32	3,71,95
BANKS							
34	19	66	12	40	15	31,93	1,21,63
36	17	68	13	52	20	33,45	1,23,15
36	22	67	12	52	22	37,26	1,31,83
36	30	69	11	3	18	38,38	1,30,24
38	15	64	12	3	22	37,76	1,30,06
34	10	75	11	15	16	35,58	1,30,78
35	9	58	11	7	15	33,05	1,30,14
38	10	66	10	1	17	30,91	1,29,85
37	15	61	13	—	17	27,64	1,26,42
38	17	69	13	1	19	24,72	1,29,54
39	10	79	23	8	20	24,44	1,29,90
38	36	72	35	18	22	27,22	1,36,93
DULED BANKS							
80	92	6,53	43	1,01	1,78	1,64,43	4,69,24
84	1,06	7,63	48	1,23	1,38	1,83,78	4,83,82
1,11	1,18	7,24	39	1,85	2,08	2,02,99	4,98,00
93	1,24	6,06	49	85	1,97	2,10,28	4,95,16
1,00	99	5,33	42	1,02	2,46	2,09,64	4,93,96
1,02	99	4,55	41	1,14	1,55	2,03,53	4,94,86
1,04	78	3,23	31	1,20	1,44	1,89,65	4,85,78
1,15	81	2,38	46	1,23	1,37	1,75,03	4,89,88
1,01	83	1,89	41	1,33	1,39	1,53,54	4,82,76
1,11	83	1,88	41	1,07	1,48	1,40,39	4,79,95
1,06	64	2,99	77	1,37	1,52	1,34,11	4,81,86
1,08	1,19	7,57	1,01	1,67	1,70	1,61,54	5,08,88

* The number of banks covered in this column is not necessarily the same as that covered in the previous columns, as the figures in this column are based on the monthly returns in Form XIII of the Banking Companies Act; the figures include loans, advances, cash credits and overdrafts but, exclude money at call and short notice, due from banks and bills purchased and discounted.

STATE

ANALYSIS OF ADVANCES OF SCHEDULED

Number of reporting banks	December 31, 1954			March 31, 1955		
	83			85		
	Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances
1	2	3	4	5	6	7
I. Industry						
1. Cotton (ginning, pressing and weaving, etc.)	59.0	30.9	10.6	72.6	29.8	11.3
2. Jute	13.1	6.9	2.4	18.4	7.6	2.9
3. Other textiles	13.4	7.0	2.4	15.3	6.3	2.4
4. Iron and steel	5.8	3.0	1.0	5.6	2.3	0.9
5. Coal, other mining and quarrying ..	4.7	2.5	0.8	5.5	2.3	0.9
6. Engineering	21.9	11.5	3.9	20.4	8.4	3.2
7. Sugar	13.4	7.0	2.4	40.7	16.7	6.3
8. Vegetable oil crushing and refining (including vanaspati, soap, etc.) ..	9.0	4.7	1.6	10.7	4.4	1.7
9. Chemicals, dyes and paints	9.1	4.8	1.6	8.5	3.5	1.3
10. Cement	1.2	0.6	0.2	2.0	0.8	0.3
11. Public utilities (e.g., transport and communications, gas, electricity, etc.) ..	6.8	3.6	1.2	7.2	3.0	1.1
12. Others	33.7	17.6	6.0	36.5	15.0	5.7
Total of I	190.9	100.0	34.3	243.2	100.0	37.9
II. Commerce						
13. Wholesale trade	185.3	66.7	33.3	215.9	68.7	33.6
(i) Agricultural commodities	89.8	32.3	16.1	109.3	34.8	17.0
(a) Cotton	28.2	10.1	5.1	36.5	11.6	5.7
(b) Jute	14.3	5.1	2.6	15.5	4.9	2.4
(c) Oilseeds	6.8	2.4	1.2	9.1	2.9	1.4
(d) Tea	12.8	4.6	2.3	12.5	4.0	2.0
(e) Sugar	2.3	0.8	0.4	4.4	1.4	0.7
(f) Others	25.3	9.1	4.5	31.3	10.0	4.9
(ii) Other goods	95.5	34.4	17.1	106.7	33.9	16.6
14. Retail trade	12.4	4.5	2.2	13.2	4.2	2.1
15. Dealers in Government securities, stocks, shares etc.	15.3	5.5	2.8	16.7	5.3	2.6
16. Dealers in bullion	2.9	1.0	0.5	3.1	1.0	0.5
17. Shroffs	12.1	4.4	2.2	11.3	3.6	1.8
18. Joint stock banks	15.5	5.6	2.8	18.2	5.8	2.8
19. Co-operative banks	1.6	0.6	0.3	1.1	0.3	0.2
20. Other financial institutions	5.4	1.9	1.0	6.3	2.0	1.0
21. Others	27.6	9.9	5.0	28.4	9.0	4.4
Total of II	277.9	100.0	49.9	314.4	100.0	49.0
III. Agriculture						
22. Food crops (wheat, rice, other cereals, pulses, etc.)	0.5	11.1	0.1	0.9	11.0	0.2
23. Other agricultural produce (jute, cotton, tobacco, oil seeds, tea, coffee, etc.)	3.2	71.1	0.6	6.4	78.0	1.0
24. Others	0.8	17.8	0.1	0.9	11.0	0.1
Total of III	4.5	100.0	0.8	8.2	100.0	1.3
IV. 25. Personal and professional	47.6		8.5	49.8		7.8
V. 26. All others	36.1		6.5	26.4		4.1
Total of I to V	557.0		100.0	641.9		100.0

MENT 24

BANKS ACCORDING TO PURPOSE, 1955

(Amount in crores of rupees)

June 30, 1955			September 30, 1955			December 31, 1955		
87			87			85		
Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances
8	9	10	11	12	13	14	15	16
68.7	28.5	11.0	58.5	27.1	9.5	49.7	22.5	7.7
10.7	4.4	1.7	7.7	3.6	1.3	14.5	6.6	2.3
16.1	6.7	2.6	17.0	7.9	2.8	15.4	7.0	2.4
5.7	2.4	0.9	6.2	2.9	1.0	7.1	3.2	1.1
5.0	2.1	0.8	5.8	2.7	0.9	6.8	3.1	1.1
24.1	10.0	3.8	25.4	11.8	4.1	31.1	14.1	4.8
45.8	19.0	7.3	30.6	14.2	5.0	25.3	11.5	3.9
9.8	4.1	1.6	8.4	3.9	1.4	11.3	5.1	1.8
8.1	3.4	1.3	8.5	3.9	1.4	9.7	4.4	1.5
2.0	0.8	0.3	2.8	1.3	0.5	4.0	1.8	0.6
7.1	2.9	1.1	7.3	3.4	1.2	10.6	4.8	1.7
38.2	15.8	6.1	37.5	17.4	6.1	35.4	16.0	5.5
241.2	100.0	38.6	215.7	100.0	35.2	221.0	100.0	34.3
205.3	70.2	32.8	191.7	64.6	31.2	215.0	66.5	33.3
103.3	35.3	16.5	80.3	27.1	13.1	91.0	28.2	14.1
32.9	11.3	5.3	21.9	7.4	3.6	23.5	7.3	3.6
13.8	4.7	2.2	11.5	3.9	1.9	10.7	3.3	1.7
10.6	3.6	1.7	6.0	2.0	1.0	8.2	2.5	1.3
6.6	2.3	1.1	7.4	2.5	1.2	9.3	2.9	1.5
3.2	1.1	0.5	3.3	1.1	0.5	2.9	0.9	0.5
36.3	12.4	5.8	30.1	10.1	4.9	36.5	11.3	5.7
102.0	34.9	16.3	111.4	37.5	18.2	124.0	38.4	19.2
12.9	4.4	2.1	14.6	4.9	2.4	14.3	4.4	2.2
15.1	5.2	2.4	18.9	6.4	3.1	22.3	6.9	3.5
2.5	0.9	0.4	3.3	1.1	0.5	3.7	1.1	0.6
9.8	3.4	1.6	10.3	3.5	1.7	12.9	4.0	2.0
13.3	4.6	2.1	21.7	7.3	3.5	15.1	4.7	2.4
0.9	0.3	0.1	1.1	0.4	0.2	1.3	0.4	0.2
5.1	1.7	0.8	5.4	1.8	0.9	6.0	1.9	0.9
27.4	9.4	4.4	29.8	10.0	4.9	32.6	10.1	5.1
292.3	100.0	46.7	296.8	100.0	48.4	323.2	100.0	50.1
1.0	8.0	0.2	0.7	5.8	0.1	0.6	5.3	0.1
10.3	82.4	1.6	10.4	86.0	1.7	9.8	86.7	1.5
1.2	9.6	0.2	1.0	8.3	0.2	0.9	8.0	0.1
12.5	100.0	2.0	12.1	100.0	2.0	11.3	100.0	1.8
54.8		8.8	54.3		8.8	55.4		8.6
24.9		4.0	34.6		5.6	34.1		5.3
625.6		100.0	613.5		100.0	644.9		100.0

STATE ANALYSIS OF ADVANCES OF SCHEDULED

Number of reporting banks	December 31, 1954			March 31, 1955		
	83			85		
	Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances
1	2	3	4	5	6	7
I. Secured advances						
1. Government and other trustee securities	36.0	7.7	6.5	38.6	7.1	6.0
2. Gold and silver bullion	1.5	0.3	0.3	1.7	0.3	0.3
3. Gold and silver ornaments	14.2	3.0	2.5	13.3	2.4	2.1
4. Shares of joint stock companies, etc.	48.9	10.5	8.8	52.6	9.6	8.2
5. Merchandise :	269.8	57.7	48.4	337.5	61.9	52.6
(i) Pledged to the banking company under the banking company's lock and key:—	108.7	23.3	19.5	143.6	26.3	22.4
(a) Foodgrains	7.6	1.6	1.4	12.3	2.3	1.9
(b) Other agricultural commodities	39.4	8.4	7.1	51.4	9.4	8.0
(c) Non-agricultural commodities	61.8	13.2	11.1	79.8	14.6	12.4
(ii) Hypothecated to the banking company:—	161.0	34.5	28.9	194.0	35.6	30.2
(a) Foodgrains	11.7	2.5	2.1	8.1	1.5	1.3
(b) Other agricultural commodities	51.8	11.1	9.3	70.4	12.9	11.0
(c) Non-agricultural commodities	97.5	20.9	17.5	115.5	21.2	18.0
6. Real estate :	22.5	4.8	4.0	21.6	4.0	3.4
(a) Agricultural land	1.5	0.3	0.3	1.3	0.2	0.2
(b) Other properties	21.1	4.5	3.8	20.3	3.7	3.2
7. Fixed deposits :	9.8	2.1	1.8	10.4	1.9	1.6
(a) With the banking company	9.8	2.1	1.8	10.3	1.9	1.6
(b) With other banking companies	—	—	—	0.1	—	—
8. Other secured advances	64.6	13.8	11.6	69.9	12.8	10.9
Total of I	467.2	100.0	83.9	545.6	100.0	85.0
II. 9. Unsecured advances	89.7		16.1	96.3		15.0
Total of I and II	557.0		100.0	641.9		100.0

MENT 25

BANKS ACCORDING TO SECURITY, 1955

(Amount in crores of rupees)

June 30, 1955			September 30, 1955			December 31, 1955		
87			87			85		
Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances
8	9	10	11	12	13	14	15	16
33.1	6.2	5.3	46.5	9.1	7.6	43.6	8.0	6.8
1.3	0.2	0.2	1.7	0.3	0.3	2.4	0.4	0.4
12.3	2.3	2.0	12.7	2.5	2.1	13.4	2.5	2.1
51.8	9.7	8.3	56.5	11.0	9.2	64.0	11.8	9.9
337.7	63.4	54.0	293.5	57.3	47.8	308.1	56.7	47.8
153.8	28.9	24.6	120.3	23.5	19.6	129.5	23.8	20.1
18.8	3.5	3.0	10.3	2.0	1.7	13.9	2.6	2.2
60.9	11.4	9.7	35.6	6.9	5.8	41.6	7.7	6.5
74.1	13.9	11.8	74.4	14.5	12.1	74.0	13.6	11.6
183.9	34.5	29.4	173.2	33.8	28.2	178.6	32.9	27.7
7.5	1.4	1.2	5.0	1.0	0.8	5.1	0.9	0.8
63.3	11.9	10.1	56.2	11.0	9.2	52.4	9.6	8.1
113.1	21.2	18.1	112.0	21.9	18.3	121.1	22.3	18.8
21.8	4.1	3.5	21.2	4.1	3.4	22.7	4.2	3.5
1.3	0.2	0.2	1.5	0.3	0.2	1.5	0.3	0.2
20.3	3.8	3.3	19.7	3.8	3.2	21.2	3.9	3.3
11.3	2.1	1.8	11.1	2.2	1.8	12.3	2.3	1.9
11.1	2.1	1.8	11.0	2.1	1.8	12.0	2.2	1.9
0.2	—	—	—	—	—	0.3	0.1	0.1
63.6	11.9	10.2	69.2	13.5	11.3	76.6	14.1	11.9
532.8	100.0	85.2	512.3	100.0	83.5	543.1	100.0	84.2
92.8		14.8	101.2		16.5	101.9		16.8
625.6		100.0	613.5		100.0	644.9		100.0

STATE ANALYSIS OF ADVANCES OF NON-SCHEDULED

Number of reporting banks	December 31, 1954			March 31, 1955		
	353			363		
	Amount to group total	Per- centage to group total	Per- centage to total advances	Amount to group total	Per- centage to group total	Per- centage to total advances
1	2	3	4	5	6	7
I. Industry						
1. Cotton (ginning, pressing and weaving, etc.)	2,01	28.3	5.2	1,38	19.0	3.4
2. Jute	32	4.5	0.8	32	4.6	0.8
3. Other textiles	27	3.8	0.7	55	8.0	1.4
4. Iron and steel	22	3.1	0.6	20	2.9	0.5
5. Coal, other mining and quarrying	15	2.1	0.4	16	2.3	0.4
6. Engineering	39	5.5	1.0	38	5.5	0.9
7. Sugar	16	2.3	0.4	12	1.7	0.3
8. Vegetable oil crushing and refining (including vanaspati, soap, etc.)	84	11.8	2.2	1,02	14.7	2.5
9. Chemicals, dyes and paints	13	1.8	0.3	12	1.7	0.3
10. Cement	—	—	—	—	—	—
11. Public utilities (e.g. transport and communications, gas, electricity, etc.)	52	7.3	1.4	58	8.4	1.4
12. Others	2,08	29.3	5.4	2,09	30.2	5.2
Total of I	7,09	100.0	18.4	6,93	100.0	17.2
II. Commerce						
13. Wholesale trade	6,21	36.3	16.1	7,35	40.2	18.2
(i) Agricultural commodities	3,39	19.8	8.8	4,35	23.8	10.8
(a) Cotton	67	3.9	1.7	90	4.9	2.2
(b) Jute	—	—	—	5	0.3	0.1
(c) Oilseeds	38	2.2	1.0	83	4.5	2.1
(d) Tea	15	0.9	0.4	16	0.9	0.4
(e) Sugar	20	1.2	0.5	25	1.4	0.6
(f) Others	1,99	11.6	5.2	2,16	11.8	5.3
(ii) Other goods	2,82	16.5	7.3	3,00	16.4	7.6
14. Retail trade	3,64	21.3	9.5	3,89	21.3	9.6
15. Dealers in Government securities, stocks, shares, etc.	72	4.2	1.9	72	3.9	1.8
16. Dealers in bullion	18	1.1	0.5	18	1.0	0.4
17. Shroffs	41	2.4	1.1	38	2.1	0.9
18. Joint stock banks	1,79	10.5	4.7	1,66	9.1	4.1
19. Co-operative banks	1,00	5.9	2.6	99	5.4	2.5
20. Other financial institutions	48	2.8	1.3	39	2.1	1.0
21. Others	2,66	15.6	6.9	2,72	14.9	6.8
Total of II	17,09	100.0	44.4	18,29	100.0	45.3
III. Agriculture						
22. Food crops (wheat, rice, other cereals, pulses, etc.)	71	29.7	1.8	78	32.2	1.9
23. Other agricultural produce (jute, cotton, tobacco, oilseeds, tea, coffee, etc.)	60	25.1	1.6	58	24.0	1.4
24. Others	1,08	45.2	2.8	1,06	43.8	2.6
Total of III	2,40	100.0	6.2	2,42	100.0	6.0
IV. 25. Personal and professional	9,67		25.1	10,18		26.2
V. 26. All others	2,21		5.7	2,52		6.2
Total of I to V	38,45		100.0	40,34		100.0

MENT 26

BANKS ACCORDING TO PURPOSE, 1955

(Amount in lakhs of rupees)

June 30, 1955			September 30, 1955			December 31, 1955		
360			355			349		
Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances	Amount	Per-centage to group total	Per-centage to total advances
8	9	10	11	12	13	14	15	16
1,49	24.1	3.8	1,38	22.3	3.5	2,13	30.8	5.5
15	2.4	0.4	11	1.8	0.3	7	1.0	0.2
19	3.1	0.5	22	3.6	0.6	23	3.3	0.6
18	2.9	0.5	20	3.2	0.5	24	3.5	0.6
16	2.6	0.4	16	2.6	0.4	20	2.9	0.5
38	6.2	1.0	35	5.7	0.9	32	4.6	0.8
9	1.5	0.2	12	1.9	0.3	14	2.0	0.4
88	14.3	2.2	64	10.3	1.6	76	11.0	2.0
11	1.8	0.3	10	1.6	0.2	10	1.4	0.3
—	—	—	15	2.4	0.4	—	—	—
55	8.9	1.4	67	10.8	1.7	62	9.0	1.6
1,99	32.3	5.0	2,09	33.7	5.2	2,11	30.5	5.4
6,17	100.0	15.6	6,20	100.0	15.5	6,91	100.0	17.7
8,05	42.7	20.3	6,72	35.6	16.8	7,52	43.0	19.3
5,14	27.3	13.0	3,65	19.4	9.1	4,48	25.6	11.5
56	3.0	1.4	27	1.4	0.7	93	5.3	2.4
2	0.1	0.1	2	0.1	—	2	0.1	0.1
91	4.8	2.3	43	2.3	1.1	65	3.7	1.7
13	0.7	0.3	14	0.7	0.4	13	0.7	0.3
28	1.5	0.7	24	1.3	0.6	24	1.4	0.6
3,25	17.2	8.2	2,54	13.5	6.4	2,51	14.4	6.5
2,90	15.4	7.3	3,07	16.3	7.7	3,04	17.4	7.8
3,62	19.2	9.2	3,93	20.8	9.8	3,35	19.2	8.6
72	3.8	1.8	66	3.5	1.6	69	3.9	1.8
19	1.0	0.5	23	1.2	0.6	20	1.1	0.5
28	1.5	0.7	31	1.6	0.8	29	1.7	0.8
2,24	11.9	5.7	3,03	16.1	7.6	2,44	14.0	6.3
76	4.0	1.9	92	4.9	2.3	16	0.9	0.4
34	1.8	0.9	33	1.7	0.8	27	1.5	0.7
2,66	14.1	6.7	2,74	14.5	6.9	2,57	14.7	6.6
18,87	100.0	47.7	18,86	100.0	47.2	17,51	100.0	45.0
75	32.3	1.9	75	32.2	1.9	71	34.1	1.8
57	24.6	1.4	65	27.9	1.6	55	26.4	1.4
1,00	43.1	2.5	93	39.9	2.3	82	39.4	2.1
2,32	100.0	5.9	2,33	100.0	5.8	2,08	100.0	5.3
9,94		25.1	10,17		25.5	9,91		25.4
2,29		5.8	2,38		6.0	2,54		6.5
39,59		100.0	39,94		100.0	38,95		100.0

STATE ANALYSIS OF ADVANCES OF NON-SCHEDULED

Number of reporting banks	December 31, 1954			March 31, 1955		
	353			363		
	Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances
1	2	3	4	5	6	7
I. Secured advances						
1. Government and other trustee securities	28	1.0	0.7	23	0.8	0.6
2. Gold and silver bullion	12	0.4	0.3	3	0.1	0.1
3. Gold and silver ornaments	6,58	23.7	17.1	6,63	23.0	16.4
4. Shares of joint stock companies, etc.	90	3.2	2.3	91	3.2	2.3
5. Merchandise:	6,97	35.1	18.1	7,36	23.6	18.3
(i) Pledged to banking company under the banking company's lock and key:—	4,60	16.6	12.0	4,34	15.1	10.8
(a) Foodgrains	55	2.0	1.4	45	1.6	1.1
(b) Other agricultural commodities	2,47	8.9	6.4	2,37	8.2	5.9
(c) Non-agricultural commodities	1,58	5.7	4.1	1,52	5.3	3.8
(ii) Hypothecated to the banking company:—	2,37	8.5	6.2	3,02	10.5	7.5
(a) Foodgrains	10	0.4	0.3	15	0.5	0.4
(b) Other agricultural commodities	57	2.1	1.5	91	3.2	2.3
(c) Non-agricultural commodities	1,70	6.1	4.4	1,96	6.8	4.9
6. Real estate:	8,20	29.5	21.3	8,55	29.7	21.2
(a) Agricultural land	1,41	5.1	3.7	1,58	5.5	3.9
(b) Other properties	6,79	24.4	17.7	6,97	24.2	17.3
7. Fixed deposits:	2,45	8.8	6.4	2,49	8.6	6.2
(a) With the banking company	2,44	8.9	6.3	2,48	8.6	6.2
(b) With other banking companies	1	—	—	1	—	—
8. Other secured advances	2,29	8.2	6.0	2,60	9.0	6.5
Total of I	27,80	100.0	72.3	28,80	100.0	71.4
II. 9. Unsecured advances	10,65		27.7	11,54		28.6
Total of I and II	38,45		100.0	40,34		100.0

MENT 27

BANKS ACCORDING TO SECURITY, 1955

(Amount in lakhs of rupees)

June 30, 1955			September 30, 1955			December 31, 1955		
360			355			349		
Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances
8	9	10	11	12	13	14	15	16
24	0.8	0.6	25	0.9	0.6	22	0.8	0.6
8	0.3	0.2	3	0.1	0.1	9	0.3	0.2
6,37	22.5	16.1	6,82	24.8	17.1	6,87	24.0	17.7
94	3.3	2.4	79	2.9	2.0	94	3.3	2.4
7,77	27.4	19.6	6,40	23.3	16.0	8,05	28.2	20.7
5,15	18.2	13.0	3,67	13.4	9.2	5,79	20.3	14.9
1,47	5.2	3.7	78	2.8	2.0	91	3.2	2.3
2,30	8.1	5.8	1,36	4.9	3.4	3,15	11.0	8.1
1,38	4.9	3.5	1,53	5.6	3.8	1,73	6.1	4.5
2,63	9.3	6.6	2,73	9.9	6.8	2,26	7.9	5.8
13	0.5	0.3	16	0.6	0.4	15	0.5	0.4
72	2.5	1.8	44	1.6	1.1	46	1.6	1.2
1,78	6.3	4.5	2,13	7.7	5.3	1,65	5.8	4.2
8,03	28.3	20.3	8,18	29.8	20.5	7,94	27.8	20.4
1,46	5.1	3.7	1,46	5.3	3.7	1,61	5.6	4.1
6,57	23.2	16.6	6,72	24.4	16.8	6,33	22.1	16.2
2,57	9.1	6.5	2,54	9.2	6.4	2,10	7.3	5.4
2,57	9.1	6.5	2,53	9.2	6.3	2,09	7.3	5.4
1	—	—	1	—	—	1	—	—
2,35	8.3	5.9	2,48	9.0	6.2	2,38	8.3	6.1
28,36	100.0	71.6	27,49	100.0	68.8	28,58	100.0	73.4
11,24		28.4	12,45		31.2	10,37		26.6
39,59		100.0	39,94		100.0	38,95		100.0

STATE INTEREST * CHARGED BY SCHEDULED

					Major Scheduled					
					Dec. 31, 1954		Mar. 31, 1955		June 30, 1955	
					H.	L.	H.	L.	H.	L.
I. Secured advances										
1. Government and other trustee securities	6	3	6	3	6	2½
2. Gold and silver bullion	6	3½	6	3½	6	4
3. Gold and silver ornaments	7½	4	7½	4	7½	4
4. Shares of joint stock companies, etc.	7½	4½	6½	4½	6½	4½
5. Merchandise :										
(i) Pledged to the banking company under the banking company's lock and key :—										
(a) Foodgrains	6½	5	6½	5	6	5
(b) Other agricultural commodities	6½	4	6½	4	6½	4
(c) Non-agricultural commodities	7	4½	7	4½	7	4½
(ii) Hypothecated to the banking company :—										
(a) Foodgrains	9	3½	9	3½	9	3½
(b) Other agricultural commodities	9	3½	9	3½	9	3½
(c) Non-agricultural commodities	7	3½	9	3½	7	3½
6. Real estate :										
(a) Agricultural land	8	4½	8	4½	8	5
(b) Other properties	8	3½	8	3½	8	3½
7. Fixed deposits :										
(a) With the banking company	6½	4	6½	4	6½	3½
(b) With other banking companies	6	4	6½	4½	6½	3
8. Other secured advances	9	3½	9	3½	6½	3½
II. 9. Unsecured advances	9	4	9	4	9	4

* The rate of interest charged on the majority of accounts.

H. = Highest.

L. = Lowest.

MENT 28

BANKS ON ADVANCES, 1955

(Rate per cent per annum)

Banks †				Other Scheduled Banks											
Sept. 30, 1955		Dec. 31, 1955		Dec. 31, 1954		Mar. 31, 1955		June 30, 1955		Sept. 30, 1955		Dec. 31, 1955			
H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.		
6	3	6	3½	8½	4	8½	4	8½	3½	9	4	8½	4		
7½	4	7½	4	12	4½	9	4½	9	4½	9	4½	9	4½		
7½	4	6	4	12	5	12	5	12	6	12	6	12	6		
6½	4½	6½	4½	10½	5	10½	5	9	5	10½	5	9½	5		
6	5	6	5	9	6	9	5½	9	5	9	5½	9	6		
6½	4	6½	4	9	5½	9	5½	9	5½	9	5½	9	5		
7	5	7	5	9½	5	9	5½	9	6	9	5½	9	5½		
9	3½	9	3½	9	5	9½	5	9½	3½	9	5½	9	5½		
12½	3½	12 3/8	3½	9½	5	9½	5	9½	3½	9½	5	9	5		
7	3½	8	3½	9½	4	9½	4½	9½	3½	9½	4½	9½	4½		
8	4½	6½	4½	9½	3	9½	3	10	6	10	3	10	3		
8	3½	8	3½	10½	4	10½	4	10½	3½	10½	4	10	4		
6½	4	6½	4	7½	1	8	1	8	3	8	3	8	3		
6½	4½	6½	6	7½	4½	9	5	8	5	7½	5	7	4½		
6½	3½	9	3½	9½	4½	9½	4½	9½	3	9½	3	9½	4½		
9	4	12 3/8	4	12	3	12	3	12	3	12	2½	12	3		

† Indian scheduled banks each with deposits of Rs. 25 crores and over (except for December 1954 when Indian scheduled banks each with advances of Rs. 5 crores and over were classified as major) and exchange banks.

STATEMENT 29

ADVANCES* OF SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1955

(Amount in crores of rupees)

Rate of Interest	Last day of	Major Indian Scheduled Banks@		Exchange Banks		All Scheduled Banks	
		Amount	Percent- age to total	Amount	Percent- age to total	Amount	Percent- age to total
1. Nil	Mar. 1955	0.3	0.1	0.2	0.2	0.7	0.1
	June "	0.2	0.1	0.1	0.1	0.6	0.1
	Sept. "	0.3	0.1	0.2	0.1	0.7	0.1
	Dec. "	0.4	0.1	0.2	0.1	0.8	0.2
2. More than 0% but upto and including 1%	Mar. 1955	—	—	—	—	0.3	0.1
	June "	—	—	—	—	0.1	—
	Sept. "	—	—	—	—	0.3	0.1
	Dec. "	—	—	—	—	0.2	—
3. More than 1% but upto and including 2%	Mar. 1955	0.1	—	0.1	0.1	0.2	—
	June "	1.5	0.5	0.2	0.2	3.2	0.6
	Sept. "	—	—	0.1	0.1	0.1	—
	Dec. "	0.1	—	0.1	0.1	0.3	0.1
4. More than 2% but upto and including 3%	Mar. 1955	0.5	0.2	4.2	3.1	6.2	1.2
	June "	4.1	1.4	4.0	2.9	10.7	2.1
	Sept. "	7.7	2.7	5.9	4.5	17.0	3.3
	Dec. "	0.9	0.3	1.4	1.0	4.0	0.8
5. More than 3% but upto and including 4%	Mar. 1955	105.5	35.2	46.9	34.6	157.2	30.1
	June "	99.4	33.1	43.3	31.7	146.8	28.1
	Sept. "	108.4	37.5	37.3	28.1	151.7	29.8
	Dec. "	103.1	34.7	42.8	30.5	151.6	28.7
6. More than 4% but upto and including 5%	Mar. 1955	124.6	41.6	74.5	54.9	220.5	42.2
	June "	119.9	39.9	79.4	58.1	219.5	42.1
	Sept. "	108.3	37.4	79.1	59.6	208.0	40.9
	Dec. "	120.0	40.3	85.7	61.1	227.2	43.0
7. More than 5% but upto and including 6%	Mar. 1955	54.5	18.2	8.9	6.6	90.3	17.3
	June "	60.6	20.1	9.3	6.8	95.6	18.3
	Sept. "	52.0	18.0	9.7	7.3	86.4	17.0
	Dec. "	60.4	20.3	9.8	7.0	98.5	18.6
8. More than 6% but upto and including 7%	Mar. 1955	9.6	3.2	0.7	0.5	23.2	4.4
	June "	10.4	3.5	0.2	0.1	22.9	4.4
	Sept. "	8.6	3.0	0.2	0.1	20.8	4.1
	Dec. "	8.5	2.9	0.2	0.1	22.6	4.3
9. More than 7% but upto and including 8%	Mar. 1955	3.4	1.1	0.2	0.1	12.8	2.5
	June "	3.3	1.1	0.1	0.1	11.9	2.3
	Sept. "	2.8	1.0	0.1	0.1	11.9	2.3
	Dec. "	2.9	1.0	0.1	0.1	12.1	2.3
10. More than 8% but upto and including 9%	Mar. 1955	1.2	0.4	—	—	10.0	1.9
	June "	1.1	0.3	—	—	9.0	1.7
	Sept. "	1.3	0.4	—	—	10.1	2.0
	Dec. "	1.1	0.4	—	—	9.7	1.8
11. More than 9% but upto and including 10 %	Mar. 1955	0.1	—	—	—	0.7	0.1
	June "	0.1	—	—	—	0.7	0.1
	Sept. "	0.1	—	—	—	0.8	0.2
	Dec. "	0.1	—	—	—	0.7	0.1
12. Over 10%	Mar. 1955	—	—	—	—	0.9	0.2
	June "	—	—	—	—	0.8	0.2
	Sept. "	—	—	0.1	—	0.8	0.2
	Dec. "	—	—	—	—	0.8	0.2
Total	Mar. 1955	299.8	100.0	135.6	100.0	522.8	100.0
	June "	300.6	100.0	136.6	100.0	521.6	100.0
	Sept. "	289.6	100.0	132.6	100.0	508.7	100.0
	Dec. "	297.4	100.0	140.3	100.0	528.4	100.0

Note :—Figures relate to 9 major Indian scheduled banks for each quarter, to 14 exchange banks in March and to 15 in the subsequent quarters; in the case of all scheduled banks to 86 in March, 85 in June, 87 in September and 86 in December.

* Advances include money at call and short notice and due from banking companies, but exclude bills purchased and discounted.

@ Banks each with deposits of Rs. 25 crores and over.

GRAPH 10

DISTRIBUTION OF ADVANCES OF SCHEDULED BANKS BY PURPOSE AND BY SECURITY as at December 31, 1955 (Percentages)

PURPOSE

Chemicals, Dyes and Paints 1
Vegetable oil crushing and refining 2
Engineering 5
Other Textiles 2
Jute 2
Cotton 8
Sugar 4
Others 10

INDUSTRY
34%

ALL OTHERS
5%

**PERSONAL AND
PROFESSIONAL**
9%

AGRICULTURE
2%

COMMERCE
50%

Wholesale Trade 33

Shares of Jt. Stock Companies 10

Retail Trade 2
Dealers in Govt. Securities
Stocks, Shares etc. 4

Shroffs 2

Gold and Silver ornaments 2
Govt and Trustee Securities 7

Banks and other
Financial Institutions 4

SECURED
84%

Merchandise 48

Real Estate 3

Fixed Deposits 2

Others 12

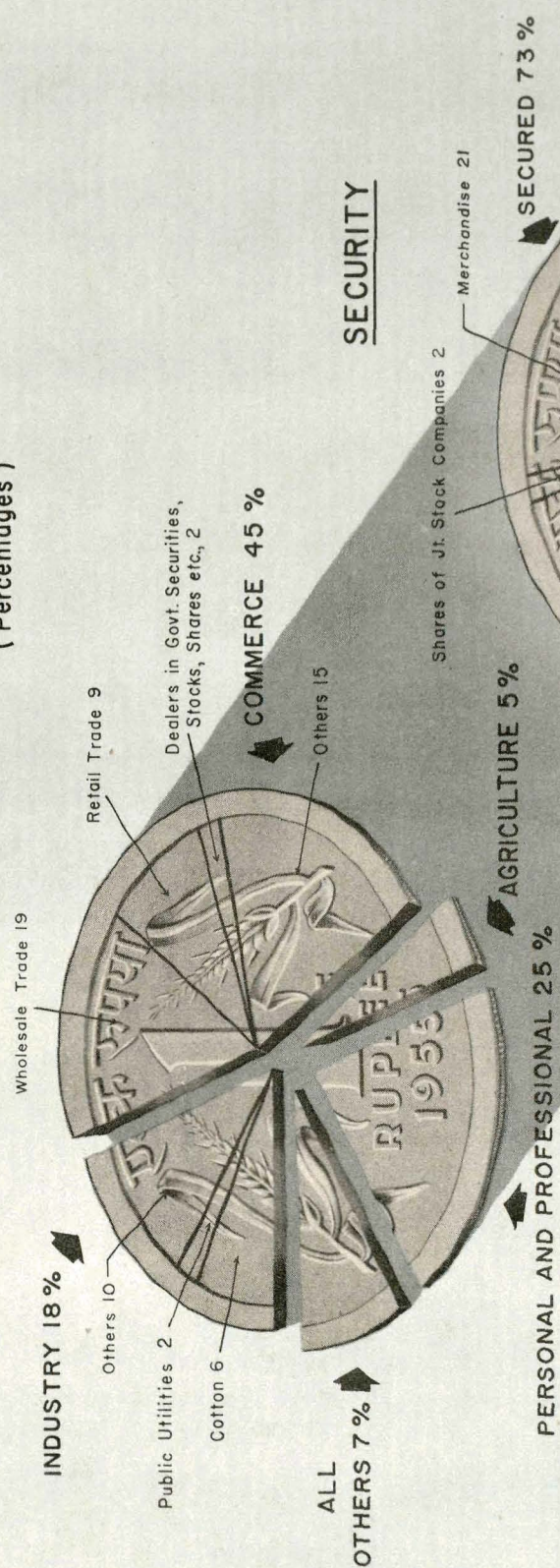
UNSECURED
16%

GRAPH 11

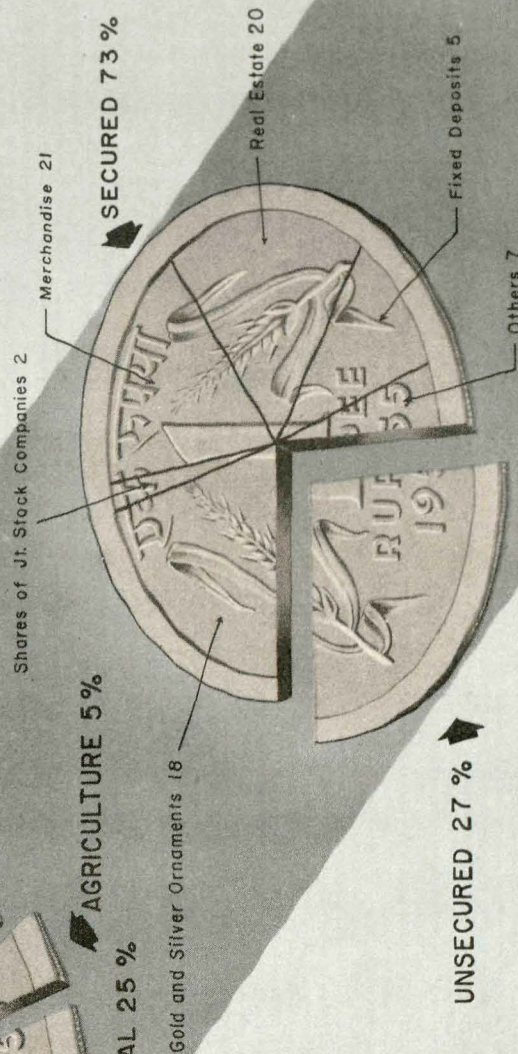
DISTRIBUTION OF ADVANCES OF NON-SCHEDULED BANKS BY PURPOSE AND BY SECURITY

as at December 31, 1955
(Percentages)

PURPOSE



SECURITY



STATEMENT 30

ADVANCES* OF NON-SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1955

(Amount in lakhs of rupees)

Rate of interest	Last day of	March			June			September			December		
		Amount	Percentage to total		Amount	Percentage to total		Amount	Percentage to total		Amount	Percentage to total	
1. Nil	75	2.0		50	1.3		80	2.1		59	1.6	
2. More than 0% but upto and including 1%	12	0.3		3	0.1		2	0.1		2	0.1	
3. More than 1% but upto and including 2%	40	1.0		44	1.2		48	1.2		41	1.1	
4. More than 2% but upto and including 3%	41	1.1		40	1.1		44	1.2		68	1.8	
5. More than 3% but upto and including 4%	291	7.6		404	10.7		495	12.9		299	7.9	
6. More than 4% but upto and including 5%	493	12.8		387	10.2		301	7.9		428	11.4	
7. More than 5% but upto and including 6%	633	16.4		669	17.7		577	15.1		634	16.9	
8. More than 6% but upto and including 7%	230	6.0		227	6.0		227	5.9		240	6.4	
9. More than 7% but upto and including 8%	428	11.1		401	10.6		426	11.2		424	11.3	
10. More than 8% but upto and including 9%	899	23.3		871	23.1		922	24.1		891	23.7	
11. More than 9% but upto and including 10%	114	2.9		115	3.0		106	2.8		109	2.9	
12. Over 10%	597	15.5		572	15.1		597	15.6		562	15.0	
	Total	38,52	100.0		37,81	100.0		38,25	100.0		37,58	100.0	

Note :—Figures relate to 366 and 354 banks for the March and June quarters, respectively and 346 banks for subsequent quarters.

* Advances include money at call and short notice and due from banking companies, but exclude bills purchased and discounted.

STATE DISTRIBUTION BY STATE & BY POPULATION OF OFFICES, DEPO.

State	Population	Number of banks operating in the State		1954			1955		
		1954	1955	Offices	Percentage of 5 to total offices	Population per office	Offices	Percentage of 8 to total offices	Population per office
1	2	3	4	5	6	7	8	9	10
GROUP I									
1. Andhra	2,05,08,000	10	11	162	6	1,26,593	165	6	1,24,291
2. Assam	90,43,707	4	5	20	1	4,52,185	21	1	4,30,653
3. Bihar	4,02,25,947	11	11	125	5	3,21,808	126	4	3,19,254
4. Bombay	3,59,56,150	50	51	440	16	81,719	464	16	77,492
5. Madhya Pradesh ..	2,12,47,533	13	13	153	6	1,38,873	152	5	1,39,786
6. Madras*	3,57,34,000	38	39	414	15	86,314	442	15	80,846
7. Orissa	1,46,45,946	5	5	12	—	12,20,496	13	—	11,26,611
8. Punjab	1,26,41,205	20	21	180	7	70,229	181	6	69,841
9. Uttar Pradesh ..	6,32,15,742	23	24	382	14	1,65,486	384	13	1,64,624
10. West Bengal ..	2,48,10,308	36	37	175	6	1,41,773	183	6	1,35,575
Total ..	27,80,28,538	—	—	2,063	75	1,34,769	2,131	75	1,30,469
GROUP II									
11. Hyderabad	1,86,55,108	12	13	80	3	2,33,189	86	3	2,16,920
12. Madhya Bharat ..	79,54,154	8	8	59	2	1,34,816	60	2	1,32,569
13. Mysore	98,49,000	18	19	98	4	1,00,500	101	4	97,515
14. PEPSU	34,93,685	5	5	33	1	1,05,869	34	1	1,02,755
15. Rajasthan	1,52,90,797	11	11	112	4	1,36,525	112	4	1,36,525
16. Saurashtra	41,37,359	9	9	52	2	79,565	52	2	79,565
17. Travancore-Cochin	92,80,425	18	19	130	5	71,388	130	5	71,388
Total ..	6,86,60,528	—	—	564	21	1,21,739	575	20	1,19,410
GROUP III									
18. Delhi	17,44,072	30	32	87	3	20,047	97	3	17,980
19. Himachal Pradesh ..	9,83,367	2	3	4	—	2,45,842	5	—	1,96,673
20. Vindhya Pradesh ..	35,74,690	4	4	6	—	5,95,781	8	—	4,46,832
21. Others	38,88,199	10	11	22	1	1,76,736	28	1	1,38,864
Total ..	1,01,90,328	—	—	119	4	85,633	138	5	73,843
GROUP IV									
22. Jammu & Kashmir	44,10,000	4	5	7	—	6,30,000	10	—	4,90,000
GRAND TOTAL ..	36,12,89,394			2,753		1,31,235	2,854		1,26,591

Note :—(1) Figures are as on the last Friday of the year and relate to 84 banks in 1954 and 86
 (2) Population figures are from the 1951 Census Report ; those of Jammu and
 * Includes Pondicherry in 1954.

MENT 31

SITS & ADVANCES IN INDIA OF SCHEDULED BANKS, 1954 & 1955

1954			1955			1954			1955		
Deposits (In lakhs of rupees)	Per- centage of total deposits	Per capita de- posits Rs.	Deposits (In lakhs of rupees)	Per- centage of total deposits	Per capita de- posits Rs.	Advances (In lakhs of rupees)	Per- centage of total advances	Per capita advan- ces Rs.	Advances (In lakhs of rupees)	Per- centage of total advances	Per capita advan- ces Rs.
11	12	13	14	15	16	17	18	19	20	21	22
12,68	1	6.2	15,98	2	7.8	10,44	2	5.1	13,19	2	5.5
5,29	1	5.8	6,55	1	7.2	89	—	1.0	1,59	—	1.8
26,53	3	6.6	28,41	3	7.1	9,51	2	2.4	12,79	2	3.2
292,22	32	81.3	321,01	32	89.3	183,61	35	51.1	201,34	32	56.0
17,36	2	8.2	19,92	2	9.4	10,44	2	4.9	12,64	2	5.9
83,41	9	23.3	87,30	9	24.4	47,90	9	13.4	61,05	10	17.1
2,12	—	1.4	2,45	—	1.7	38	—	0.3	38	—	0.3
42,04	5	33.3	47,99	5	37.9	12,88	2	10.2	14,97	2	11.8
69,88	8	11.1	74,18	7	11.7	34,41	6	5.4	48,69	8	7.7
203,47	22	82.0	217,87	21	87.8	140,67	26	56.7	165,80	27	66.8
755,00	81	27.2	821,66	81	29.5	451,13	85	16.2	532,44	85	19.1
.											
17,06	2	9.1	18,33	2	9.8	15,04	3	8.1	15,35	2	8.2
11,94	1	15.0	15,19	1	14.5	7,00	1	8.8	7,18	1	9.0
18,84	2	19.1	20,76	2	21.1	12,65	2	12.8	13,02	2	13.2
3,22	—	9.2	3,87	—	11.1	1,28	—	3.7	1,74	—	5.0
18,94	2	12.4	20,67	2	13.5	13,33	3	8.7	15,68	3	10.3
16,65	2	40.2	17,45	2	42.2	3,04	1	7.3	3,63	1	8.8
19,61	2	21.1	23,18	2	25.0	11,21	2	12.1	12,24	2	13.2
106,26	11	15.5	119,45	12	17.4	63,54	12	9.3	68,84	11	15.6
.											
56,05	6	321.4	64,00	6	363.3	15,24	3	87.4	19,54	3	109.2
39	—	4.0	55	—	5.6	3	—	0.3	3	—	0.3
27	—	0.8	57	—	1.6	9	—	0.3	17	—	0.5
4,10	—	10.5	6,32	1	16.3	1,02	—	2.6	1,63	—	4.2
60,81	7	59.7	71,44	7	69.5	16,38	3	16.1	21,37	3	20.5
.											
5,68	1	12.9	4,77	—	10.7	14	—	0.3	18	—	0.3
927,75		25.7	1,017,32		28.1	531,19		14.7	622,83		17.2

banks in 1955.

Kashmir are according to the statutory estimates of the Registrar General.

STATE

REGIONAL DISTRIBUTION OF OFFICES

State	Number of offices opened during 1955				Number of offices closed during 1955			
	Exchange banks	Other scheduled banks	Non-scheduled banks	Total	Exchange banks	Other scheduled banks	Non-scheduled banks	Total
1	2	3	4	5	6	7	8	9
GROUP I								
Andhra	—	3	—	3	—	—	—	—
Assam	—	1	—	1	—	—	1	1
Bihar	—	2	—	2	—	1	—	1
Bombay	1	26	1	28	—	1	3	4
Madhya Pradesh	—	2	—	2	—	—	—	—
Madras	—	33	6	39	—	3	5	8
Orissa	—	1	—	1	—	—	—	—
Punjab	—	1	—	1	—	3	1	4
Uttar Pradesh	—	9	—	9	—	5	1	6
West Bengal	—	7	—	7	—	1	2	3
Total	1	85	7	93	—	14	13	27
GROUP II								
Hyderabad	—	6	—	6	—	—	—	—
Madhya Bharat	—	1	—	1	—	1	—	1
Mysore	—	3	—	3	—	1	4	5
PEPSU	—	1	—	1	—	—	1	1
Rajasthan	—	1	—	1	—	1	—	1
Saurashtra	—	—	12	12	—	—	1	1
Travancore-Cochin	—	1	—	1	—	2	26	28
Total	—	13	12	25	—	5	32	37
GROUP III								
Ajmer	—	—	—	—	—	—	—	—
Bhopal	—	1	—	1	—	—	—	—
Coorg	—	1	—	1	—	—	—	—
Cutch	—	1	—	1	—	—	—	—
Delhi	—	7	1	8	—	1	—	1
Himachal Pradesh	—	1	—	1	—	—	—	—
Manipur	—	—	—	—	—	—	—	—
Pondicherry	—	—	—	—	—	—	—	—
Tripura	—	—	—	—	—	—	3	3
Vindhya Pradesh	—	2	—	2	—	—	—	—
Total	—	13	1	14	—	1	3	4
GRAND TOTAL	1	111	20	132	—	20	48	68

Number of reporting banking companies

*Note :—*The figures are based on the returns in Form IX submitted by banking companies State of Jammu and Kashmir.

MENT 32

IN INDIA OF BANKING COMPANIES, 1955

Net increase(+) or decrease(—) during 1955				Number of offices as on December 31, 1955			
Exchange banks	Other sche- duled banks	Non- sche- duled banks	Total	Exchange banks	Other sche- duled banks	Non- sche- duled banks	Total
10	11	12	13	14	15	16	17
—	+ 3	—	+ 3	—	167	15	182
—	+ 1	— 1	—	—	21	16	37
—	+ 1	—	+ 1	—	131	25	156
+1	+25	— 2	+24	16	449	112	577
—	+ 2	—	+ 2	—	156	13	169
—	+30	+ 1	+31	12	428	340	780
—	+ 1	—	+ 1	—	13	4	17
—	— 2	— 1	— 3	4	181	30	215
—	+ 4	— 1	+ 3	2	383	41	426
—	+ 6	— 2	+ 4	20	164	62	246
+1	+71	— 6	+66	54	2,093	658	2,805
—	+ 6	—	+ 6	—	86	11	97
—	—	—	—	—	59	5	64
—	+ 2	— 4	— 2	1	100	30	131
—	+ 1	— 1	—	—	33	43	76
—	—	—	—	—	113	5	118
—	—	+11	+11	—	51	46	97
—	— 1	—26	—27	1	127	443	571
—	+ 8	—20	—12	2	569	583	1,154
—	—	—	—	—	10	2	12
—	+ 1	—	+ 1	—	4	2	6
—	+ 1	—	+ 1	—	5	1	6
—	+ 1	—	+ 1	—	6	—	6
—	+ 6	+ 1	+ 7	10	88	10	108
—	+ 1	—	+ 1	—	3	—	3
—	—	—	—	—	—	1	1
—	—	—	—	—	4	—	4
—	—	— 3	— 3	—	2	1	3
—	+ 2	—	+ 2	—	9	—	9
—	+12	— 2	+10	10	131	17	158
+1	+91	—28	+64	66	2,793	1,258	4,117
				15	74	443	532

under the Banking Companies Act and relate to their offices in the whole of India except the

STATE DISTRIBUTION OF BANKING OFFICES BY POPULATION

POPULATION									
State				Unclassified		Less than 5,000		5,000 to 10,000	
				No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices
GROUP I									
Andhra	1	1	—	—	14	16
Assam	—	—	—	—	1	1
Bihar	6	6	5	6	5	9
Bombay	4	4	19	20	44	49
Madhya Pradesh	1	1	2	2	2	2
Madras	30	32	22	27	51	76
Orissa	1	1	1	1	1	1
Punjab	2	2	14	19	18	23
Uttar Pradesh	5	5	15	18	15	19
West Bengal	4	5	1	2	3	3
Total	54	57	79	95	154	199
GROUP II									
Hyderabad	3	3	2	2	5	5
Madhya Bharat	—	—	1	1	6	7
Mysore	3	3	4	4	6	8
PEPSU	1	1	11	13	10	16
Rajasthan	1	1	5	5	14	16
Saurashtra	20	20	—	—	5	7
Travancore-Cochin	36	38	33	57	33	86
Total	64	66	56	82	79	145
GROUP III									
Ajmer	1	1	—	—	1	1
Bhopal	—	—	—	—	—	—
Coorg	—	—	2	2	1	1
Cutch	2	3	—	—	—	—
Delhi	—	—	—	—	—	—
Himachal Pradesh	—	—	—	—	2	3
Manipur	—	—	—	—	—	—
Pondicherry	2	4	—	—	—	—
Tripura	—	—	—	—	—	—
Vindhya Pradesh	3	3	1	1	—	—
Total	8	11	3	3	4	5
GRAND TOTAL	126	134	138	180	237	349

Note :—1. Population figures are from the 1951 census data or as supplied by banks.

2. The statement has been compiled from information available in returns in their offices in the whole of Indian Union except the State of Jammu

MENT 33**IN THE SEVERAL STATES AT THE END OF 1955****LATION**

10,000 to 25,000		25,000 to 50,000		50,000 to 1,00,000		1,00,000 and over		Total	
No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices
42	65	13	36	8	36	4	28	82	182
7	12	4	19	1	5	—	—	13	37
20	35	13	33	6	24	5	43	60	156
51	86	26	64	14	70	10	284	168	577
34	57	12	40	6	24	3	43	60	169
70	171	31	122	11	90	9	262	224	780
4	5	1	1	1	2	1	6	10	17
23	52	11	37	6	20	4	62	78	215
52	88	26	69	14	58	14	169	141	426
14	16	11	33	9	21	3	166	45	246
317	587	148	454	76	350	53	1,063	881	2,805
23	29	6	10	7	16	3	32	49	97
12	21	4	8	1	3	3	24	27	64
17	31	6	18	2	15	4	52	42	131
14	27	4	12	1	7	—	—	41	76
27	36	11	22	3	10	3	28	64	118
6	10	8	27	2	7	3	26	44	97
43	163	5	34	5	106	3	87	158	571
142	317	44	131	21	164	19	249	425	1,154
—	—	—	—	1	3	1	7	4	12
1	2	—	—	—	—	1	4	2	6
1	3	—	—	—	—	—	—	4	6
—	—	2	3	—	—	—	—	4	6
—	—	—	—	—	—	1	108	1	108
—	—	—	—	—	—	—	—	2	3
—	—	—	—	—	—	1	1	1	1
—	—	—	—	—	—	—	—	2	4
—	—	1	3	—	—	—	—	1	3
2	3	1	2	—	—	—	—	7	9
4	8	4	8	1	3	4	120	28	158
463	912	196	593	98	517	76	1,432	1,334	4,117

Form IX submitted by banking companies under the Banking Companies Act and relate to and Kashmir,

STATEMENT 34
OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS, 1938-1955

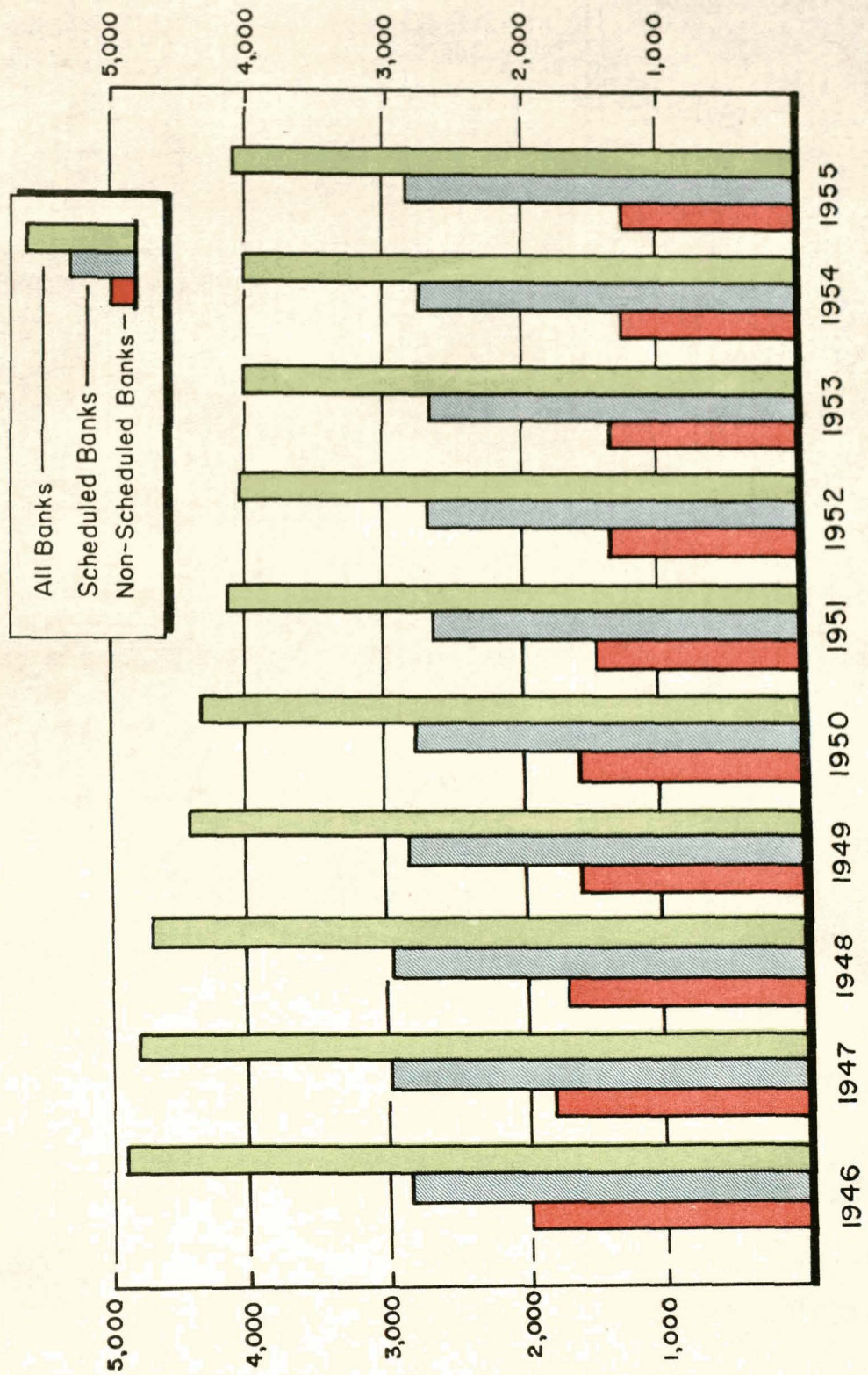
End of	SCHEDULED BANKS				Non-scheduled banks	All banks
	State Bank of India	Exchange banks	Other scheduled banks	Total		
1	2	3	4	5	6	7
INDIA AND BURMA						
1938	358	93	677	1,128	343	1,471
1939	381	99	798	1,278	673	1,951
1940	390	101	860	1,351	811	2,162
1941	401	99	954	1,454	1,014	2,468
UNDIVIDED INDIA						
1942	392	82	974	1,448	1,260	2,708
1943	398	84	1,400	1,882	1,531	3,413
1944	419	79	1,977	2,475	1,985	4,460
1945	426	77	2,454	2,957	2,378	5,335
INDIAN UNION						
1946	358	58	2,441	2,857	2,029	4,886
1947	362	60	2,565	2,987	1,832	4,819
1948	367	62	2,534	2,963	1,711	4,674
1949	377	64	2,411	2,852	1,589	4,441
1950	382	62	2,335	2,779	1,574	4,353
1951	391	63	2,213	2,667	1,473	4,140
1952	408	63	2,221	2,692	1,369	4,061
1953	422	65	2,204	2,691	1,351	4,042
1954*	453	65	2,249	2,767	1,286	4,053
1955	481	66	2,312	2,859	1,258	4,117

Note :—Figures for the years 1938 to 1950 have been taken from the Statistical Tables relating to Banks in India ; offices of non-scheduled banks having paid-up capital and reserves of less than Rs. 50,000 each have been excluded upto 1945. Figures for the years 1951 to 1955 are based on the returns in Form IX submitted under the Banking Companies Act.

*Figures have been revised,

GRAPH 12

OFFICES OF BANKING COMPANIES IN INDIA



STATEMENT 35
REGIONAL DISTRIBUTION OF THE NUMBER OF PLACES IN INDIA
AT WHICH BANKING COMPANIES WERE GRANTED OR REFUSED
PERMISSION TO OPEN OFFICES DURING 1955

State							No. of places in respect of which permission was granted	No. of places in respect of which permission was refused
1							2	3
GROUP I								
Andhra							5	1
Assam							2	—
Bihar							2 (1)	—
Bombay							25 (5)	1
Madhya Pradesh							3 (1)	—
Madras							45 (18)	22 (2)
Orissa							2 (2)	1
Punjab							1	1
Uttar Pradesh							7 (3)	—
West Bengal							2 (1)	—
GROUP II								
Hyderabad							8	—
Madhya Bharat							2 (1)	2 (1)
Mysore							6 (1)	2
PEPSU							1	—
Rajasthan							4 (1)	—
Saurashtra							1	—
Travancore-Cochin							1	9 (4)
GROUP III								
Ajmer							1	—
Coorg							1	—
Delhi							6 (2)	3
Himachal Pradesh							2 (1)	—
Karaikal							1	—
Jammu & Kashmir							1	—
Total							129 (37)	42 (7)

Note :—Figures in brackets indicate the number of places which were not served by any bank at all.

STATEMENT 36
OFFICES OF INDIAN BANKS OUTSIDE INDIA, 1953-55

Country 1	1953		1954		1955	
	No. of banking companies operating 2	No. of offices 3	No. of banking companies operating 4	No. of offices 5	No. of banking companies operating 6	No. of offices 7
Aden	1	1	1	1	1	1
British East Africa	2	4	2	7	2	8
Burma	5	8	5	9	5	9
Ceylon	3	3	3	3	3	3
French India*	2	3	—	—	—	—
Hongkong	1	1	1	1	2	2
Japan	1	2	1	2	1	2
Malaya	4	12	4	12	4	12
Pakistan	29	67	27†	66†	27	66
Thailand	1	1	1	1	1	1
United Kingdom	4	4	4	4	4	4
Total		106		103		105-108

* Excludes Chandernagore upto 1953. Since November 1954, French settlements in India have been merged with the Indian Union.

† Revised.

STATEMENT 37

PROGRESS OF ACTION TAKEN UNDER SEVERAL PROVISIONS OF THE BANKING COMPANIES ACT

	1949	1950	1951	1952	1953	1954	1955	Total
1. Classification of companies into banking and non-banking companies								
(Section 5 (1) (b) and (c))								
(i) Number of cases reported	72	23	73	40	27	3	1	239
(ii) Number of companies classified as banking companies	4	1	—	1	3	—	—	9
(iii) Number of companies classified as non-banking companies or gone into liquidation or struck off	41	29	57	47	15	4	1	194
(iv) Number of companies taking suitable action or under consideration	27	20	36	28	37	36	36	
2. Use of words 'bank', 'banker' or 'banking' (Section 7)								
(i) Number of companies affected by the provisions and reported to the Reserve Bank	6	31	47	32	2	12	—	130
(ii) Number of companies which added one of the words to their names	4	15	18	1	1	—	—	39
(iii) Number of non-banking companies which deleted the words 'bank', 'banker', etc. from their names or went into liquidation or were struck off	2	8	9	13	12	5	1	50
(iv) Number of companies granted exemption	—	—	4	—	—	—	—	4
(v) Number of companies taking suitable action	—	8	24	42	31	38	37	
3. Disposal of non-banking assets (Section 9)								
(i) Number of banking companies holding non-banking assets	—	—	2	—	—	—	—	2
(ii) Number of companies which disposed of the non-banking assets	—	—	1	—	—	—	—	1
(iii) Number of companies taking suitable action	—	—	1	1	1	1	1	
4. Restriction on certain forms of employment (Section 10 (1) (c) (i) and (ii))								
(i) Number of companies contravening the section	42	23	4	12	11	17	14	123
(ii) Number of companies which regularised their position or were exempted	29	21	4	6	6	12	5	83
(iii) Number of companies classified as non-banking companies	—	—	2	—	—	—	—	2
(iv) Number of companies which became defunct or were wound up by Court	—	—	2	1	2	1	2	8
(v) Number of companies which were under consideration or were taking steps to regularise their position	13	15	11	16	19	23	30	
Note :— All banking companies were exempted from the provisions of these sub-sections for a period of six months from the commencement of the Act ; the exemption for a further period of three years granted to 14 displaced banks expired during the year 1952 ; the exemption in respect of 11 out of them was extended by a further period of three years. Of these 11 banks, 3 banks were exempted from both the sub-sections for a further period of three years while 2 banks each were further exempted for a similar period from sub-sections 10(1) (c) (i) and (ii) respectively.								
5. Minimum capital requirements (Section 11)								
(i) Number of applications received for issue of additional capital	19	36	49	40	32	7	10	193
(ii) Number of applications recommended for the issue of additional capital	14	24	54	31	17	5	6	151
(iii) Number of applications recommended for rejection	—	—	5	16	14	3	4	42
(iv) Number of applications pending and under consideration	5	17	7	—	1	—	—	

(v)	Number of companies which raised the capital to the prescribed level.	—	—	14	26	2	1	1	44
(vi)	Number of companies which conformed to the provisions of the section by reducing the area of operation	1	—	2	11	—	—	—	14
(vii)	Number of companies which converted themselves into non-banking companies or went into liquidation	—	—	32	32	8	3	22	97

6. Regulation of capital and restrictions on voting rights (Section 12)

Sub-sections (i) and (ii)

(i)	Number of companies contravening the section	11	1	4	2	26	1	2	47
(ii)	Number of companies which complied with the provisions of the section or were exempted	1	3	3	1	13	6	2	29
(iii)	Number of companies converted into non-banking companies or wound up	—	—	1	1	2	1	—	5
(iv)	Number of companies taking steps to comply with the provisions	10	8	8	8	19	13	13	—

7. Prohibition of interlocking directorates (Section 16)

(i)	Number of companies contravening the section	25	27	6	7	1	4	—	70
(ii)	Number of companies which complied with the provisions of the section	17	20	4	4	2	2	1	50
(iii)	Number of companies exempted	*	3	3	—	—	—	—	6
(iv)	Number of companies which became defunct or went into liquidation or were classified as non-banking companies	—	2	1	2	1	—	—	6
(v)	Number of companies whose cases were under consideration or which were taking action	8	10	8	9	7	9	8	—

*All banking companies were exempted from the provisions of this section for a period of six months from the commencement of the Act; the exemption for a further period of three years granted to 14 displaced banks expired during the year 1952. The exemption in the case of 10 out of them was extended by a further period of three years. These banks have reported compliance with the provisions of the section.

8. Restrictions on the nature of subsidiary companies or on holding shares of other companies (Section 19)

Sub-section (1).

(i)	Number of companies permitted to form subsidiary companies	—	1	1	—	—	—	—	2
(ii)	Number of companies which were exempted	—	1	—	—	—	—	—	1
(iii)	Number of companies which regularised their position	—	1	—	—	—	—	—	1

Sub-section (2)

(i)	Number of companies reported to have contravened the section	34	6	20	8	9	8	6	91
(ii)	Number of companies whose cases came up for reconsideration	—	6	5	7	4	5	1	28
(iii)	Number of companies which regularised the holdings	11	7	15	8	7	6	2	56
(iv)	Number of companies allowed time to regularise the holdings	7	9	2	4	4	1	—	27
(v)	Number of companies exempted	—	3	1	6	2	2	2	16
(vi)	Number of companies converted into non-banking companies or went into liquidation	—	—	2	—	1	—	—	3
(vii)	Number of cases under consideration	16	9	14	11	10	14	17	—

Sub-section (3)

(i)	Number of cases reported	—	5	1	3	4	—	—	13
(ii)	Number of companies exempted	—	5	—	—	—	—	—	5
(iii)	Number of companies taking action	—	—	1	—	—	—	—	—

STATEMENT 38

PART A

**STATEMENT RELATING TO BANKS WHICH, AS A RESULT
OF THEIR RE-INSPECTION, HAVE BEEN FOUND
TO HAVE RECTIFIED THE DEFECTS POINTED OUT
AFTER THEIR FIRST INSPECTION**

(Amount in lakhs of rupees)

Nature of defect	Number of banks	Amount outstanding as on the date of		Increase (+) or de- crease(—) (per cent)
		first inspection	re- inspection	
1	2	3	4	5
1. Inadequate and poor reserves	12	16.98	28.44	+67.5
2. Insufficient reserves against bad and doubtful debts	4	1.50	1.17	— 22.0*
3. Frequent borrowings	17	297.66	107.05	— 64.0
4. (a) Large investments in shares and debentures of joint stock companies	1	3.19	0.21	— 93.4
(b) Investments in unquoted shares and debentures	3	6.81	3.97	— 41.7
5. Investments in shares and debentures of companies in which banks' directors are interested	3	8.53	2.09	— 75.5
6. Inadequate investments in Government securities	6	2.06	7.36	+ 257.3
7. Meagre liquid assets	23	63.00	99.16	+ 57.4
8. Total advances (over-extension of advances) ..	41	1164.25	1256.83	+ 8.0**
9. Unsecured advances (high proportion in relation to total advances)	12	80.56	60.24	— 25.2
10. Granting large advances against immovable properties	7	65.67	46.98	— 28.5
11. Large proportion of decreed and doubtful debts	3	14.83	10.83	— 27.0
12. Large number of irregular and dormant advances including advances having undesirable features ..	12	120.80	31.66	— 73.8
13. Concentration of advances in the hands of a few borrowers	8	38.44	34.39	— 10.5
14. Large advances to directors, their relations and associates and concerns in which any of them is interested	5	15.55	4.50	— 71.1

* Although the figure does not reflect any increase, the amount of bad and doubtful debts of the banks have been estimated at a reduced figure which is covered by the reserves.

** The increase in the amount of advances does not reflect further over-extension but an improvement as it is accompanied by a more than proportionate increase in deposits.

STATEMENT 38—(Contd.)

PART B

PROGRESS MADE BY BANKS IN THE RECTIFICATION OF DEFECTS POINTED OUT TO THEM

(Amount in lakhs of rupees)

Nature of defect	Number of banks	Amount outstanding as on		Increase (+) or decrease (—) (per cent)
		the date of inspection/ re-inspection	31-12-1955 (on the basis of progress reports)	
1	2	3	4	5
1. Inadequate and poor reserves	184	1,08.94	1,44.98	+ 33.1
2. Insufficient reserves against bad and doubtful debts	21	2.74	3.05	+ 11.3
3. Frequent borrowings	45	2,39.68	1,67.94	— 29.9
4. (a) Large investments in shares and debentures of joint stock companies	12	67.92	64.77	— 4.6
(b) Investments in unquoted shares and debentures	37	63.26	49.10	— 22.4
5. Investments in shares and debentures of companies in which banks' directors are interested	15	70.75	51.65	— 27.0
6. Inadequate investments in Government securities	80	16.32	60.75	+ 272.2
7. Meagre liquid assets	51	78.53	1,46.77	+ 86.9
8. Total advances (over-extension of advances) ..	228	47,57.75	48,15.34	+ 1.2
9. Unsecured advances (high proportion in relation to total advances)	204	11,27.07	9,99.85	— 11.3
10. Granting large advances against immovable properties	117	6,74.21	6,15.57	— 8.7
11. Large proportion of decreed and doubtful debts	189	4,45.22	5,23.05	+ 17.5
12. Large number of irregular and dormant advances including advances having undesirable features..	238	16,54.05	12,49.33	— 24.5
13. Concentration of advances in the hands of a few borrowers	111	11,92.17	9,00.13	— 24.5
14. Large advances to directors, their relations and associates and concerns in which any of them is interested	80	6,02.83	4,69.43	— 22.1

STATEMENT 39

LIABILITIES AND ASSETS OF COMMERCIAL BANKS IN SELECTED COUNTRIES

(Amount in millions of national currency)

Country	End of	Deposits						Cash balances	Percent- age of 7 to 6	Invest- ments	Percent- age of 9 to 6	Loans and Percent- age of advances including bills dis- counted	11 to 6	12
		Demand		Others		Total								
		Amount	Percent- age of 2 to 6	Amount	Percent- age of 4 to 6									
							1							
Australia (£A)	1954	1,057	80.2	261	19.8	1,318	70	5.3	161	12.2	786	59.6		
(Major Private Banks) (a)	1955	1,062	80.4	259	19.6	1,322	71	5.4	155	11.7	815	61.7		
Canada (\$C)	1954	3,597	33.6	7,116(b)	66.4	10,713	791	7.4	4,429	41.3	4,725†	44.1		
(Chartered Banks)	1955	3,915	32.9	7,989(b)	67.1	11,904	840	7.1	4,363	36.7	5,782	48.6		
India (Rs.)	1954†	5,720	60.8	3,689	39.2	9,409	1,037	11.0	3,474@	36.9	5,543(c)	58.9		
(Scheduled Banks)	1955	6,206	59.8	4,174	40.2	10,380	1,002	9.7	3,830@	36.9	6,449(c)	62.1		
Japan (Yen)	1954	528,183	18.1	2,384,453	81.9	2,912,636	350,728(g)	12.0	389,567	13.4	2,597,219	89.2		
(City Banks and Local Banks)	1955	657,536	18.4	2,921,797	81.6	3,579,333	451,580(g)	12.6	497,411	13.9	2,834,506	79.2		
New Zealand (£NZ)	1954	241	80.6	58	19.4	299	84	28.1	26	8.7	166	55.5		
(Trading Banks)	1955	241	82.8	50	17.2	291	74	25.4	24	8.2	176	60.5		
Pakistan (Pak. Rs.)	1954	1,251	70.7	518	29.3	1,769	170	9.6	721	40.8	1,030(c)	58.2		
(Scheduled Banks)	1955	1,424	71.8	558	28.2	1,983	183	9.2	794	40.0	1,200(c)	60.5		
Union of South Africa (£SA)	1954	392	88.9	49	11.1	441	72(d)	16.3	128	29.0	240	54.4		
(Commercial Banks)	1955	383	82.4	82	17.6	465	78(d)	16.8	274	58.9		
United Kingdom (£)	1954	4,485	64.6	2,456	35.4	6,941	571	8.2	3,552	51.2	2,509(c)	36.1		
(London Clearing Banks)	1955	4,321	65.4	2,291	34.6	6,612	565	8.5	3,287	49.7	2,486(c)	37.6		
United States of America(\$)	1954†	135,789	73.5	48,967	26.5	184,757	43,559(e)	23.6	85,297	46.2	70,619	38.2		
(All Commercial Banks)	1955(h)	124,220	66.0	64,090(i)	34.0	188,310	44,010(e)	23.4	78,320	41.6	82,760	43.9		
Western Germany (DM)	1954	19,842	2,113	10.6	1,809(f)	9.1	17,129	86.3		
(Commercial Banks)	1955	21,779	2,299	10.6	2,467(f)	11.3	19,782	90.8		

(a) Average of weekly figures in December excepting the fourth week. (b) Include foreign currency deposits. (c) Include money at call and short notice. (d) Include gold coin, bullion, notes of Reserve Bank, subsidiary coin and balances with National Finance Corporation. (e) Include cash in vault, reserves with Federal Reserve Banks, balances with domestic banks, balances with foreign banks and cash items in process of collection. (f) Include Treasury Bills and non-interest bearing Treasury bonds of the Federal Republic and the Lands, and securities and syndicate participations. (g) Include bills and cheques. (h) Preliminary. (i) Include demand and time inter-bank deposits.

† Revised.

@ Relate to Central and State Government securities, and Treasury Bills.

APPENDIX II
NOTIFICATIONS
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

1. No. F. 4 (2)-F. 1/55 dated January 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, for the period ending on the 31st December 1955, apply to the Hongkong and Shanghai Banking Corporation, Calcutta, in respect of its holding of the shares of the Sun Jute Press Limited.

2. No. F. 4 (253)-F. 1/54 dated February 25, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Gadodia Bank Limited, Delhi, having its registered office at Bombay, for a period up to and including the 31st March, 1956.

3. No. F. 4 (30)-F. 1/55 dated March 5, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of any banking company which has been incorporated in the State of Travancore-Cochin and which has been confining its activities to that State, the provisions of sub-section (1) of section 24 of the said Act, shall not apply for the period from the 1st April, 1955, to the 31st March, 1956, in so far as such provisions require such banking company to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount in excess of fifteen per cent. of the total of its demand and time liabilities in India.

4. No. F. 4 (37)-F. 1/55 dated March 24, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of clause (i) of section 12 of the said Act shall not apply, up to and including the 31st day of March, 1956, to

- (i) the Martandam Commercial Bank Ltd., Martandam ;
- (ii) the Bank of New India Ltd., Trivandrum ;
- (iii) the South Indian National Bank Ltd., Mavelikara ;
- (iv) the United India Bank Ltd., Chengannur.

5. No. F. 4 (40)-F. 1/55 dated March 25, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of the Morvi Mercantile Bank Ltd., the provisions of sections 18 and 24 of the said Act shall not apply up to and including the 31st March, 1956, and that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply in so far as such provisions relate to the publication in a newspaper of its balance sheet and profit and loss account for the period ended the 31st December, 1954, together with the auditors' report thereon.

6. No. F. 4 (39)-F. 1/55 dated March 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of clause (i) of section 12 of the said Act shall not apply, up to and including the 31st day of March, 1956, to the Anthraper Bank Ltd., Shertallay.

7. No. F. 4 (13)-F. 1/55 dated March 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of the undernoted banking companies, the provisions of section 11 of the said Act shall not apply up to and including the 31st March 1956.

- (1) Adoor Bank Ltd., Adoor.
- (2) Bank of Deccan Ltd., Kottayam.
- (3) Bank of Konkan Ltd., Malvan.
- (4) Bank of New India Ltd., Trivandrum.
- (5) Catholic Syrian Vyavasaya Bank Ltd., Narakal.
- (6) Champakulam Catholic Bank Ltd., Champakulam.
- (7) Changanacherry Central Bank Ltd., Changanacherry.
- (8) Christian Popular Bank Ltd., Irinjalakuda.
- (9) Cochin Nayar Bank Ltd., Trichur.
- (10) Cochin Union Bank Ltd., Trichur.
- (11) Colony Bank Ltd., Ludhiana.
- (12) Commonwealth Bank Ltd., Kanjirapally.
- (13) Eastern Midland Bank Ltd., Kottayam.
- (14) G. Raghunathmull Bank Ltd., Hyderabad (Deccan).
- (15) Indian Traders Bank Ltd., Alwaye.
- (16) Jaya Bharath Bank Ltd., Monipally.
- (17) Kerala Service Bank Ltd., Trivandrum.
- (18) Koppa Bank Ltd., Koppa.
- (19) Madappally Sri Vilasom Bank Ltd., Mundakayam.
- (20) Mandayam Banking Co. Ltd., Mysore.
- (21) Martandam Commercial Bank Ltd., Martandam.
- (22) Moolankuzhi Union Bank Ltd., Thoppumpady.

- (23) Morvi Mercantile Bank Ltd., Morvi.
- (24) Nataraja Bank Ltd., Bangalore.
- (25) National Trust Bank Ltd., Calcutta.
- (26) Nayar Union Bank Ltd., Trichur.
- (27) New Citizen Bank of India Ltd., Bombay.
- (28) Oriental Union Bank Ltd., Kaduthuruthy.
- (29) Prabartak Bank Ltd., Calcutta.
- (30) Premier Bank of India Ltd., Madrás.
- (31) Rayalaseema Bank Ltd., Bellary.
- (32) Seasia Bank Ltd., Alleppey.
- (33) Society Bank Ltd., Tiruvalla.
- (34) South Travancore Bank Ltd., Neyyoor.
- (35) Swadesi Bank Ltd., Pathanamthitta.
- (36) Tirukkattupalli Bank Ltd., Tanjore.
- (37) Travancore Eastern Bank Ltd., Karunagappally.
- (38) Travancore General Bank Ltd., Kottayam.
- (39) Tripunithura Union Bank Ltd., Tripunithura.
- (40) United India Bank Ltd., Chengannur.
- (41) Vysya Mercantile Bank Ltd., Ramanagaram.

8. No. F. 4 (13)-F. I/55 dated March 29, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of the undernoted banking companies, the provisions of section 11 of the said Act shall not apply up to and including the 30th September, 1955.

- (1) Dharmapuri Taluka Kadagathur Sree Ananda Bank Ltd., Dharmapuri.
- (2) Engandiyoor Banking and Vyapara Co. Ltd., Engandiyoor.
- (3) Osmania Aziz Bank Ltd., Raichur.
- (4) Shri Sharada Banking Co., Ltd., Raichur.
- (5) Lakshmi Safe Deposit Bank Ltd., Jaipur.
- (6) Malnad Commercial and Banking Corporation Ltd., Tarikere.
- (7) Bank of Travancore Ltd., Trivandrum.
- (8) Free India Bank Ltd., Kottayam.
- (9) Grand Eastern Bank Ltd., Kottayam.
- (10) Industrial Native Bank Ltd., Piravom.
- (11) Kamalodayam Bank Ltd., Ponkunnarn.
- (12) Malabar City Bank Ltd., Vaikam.
- (13) New India Bank Ltd., Thodupuzha.
- (14) Prabhatha Tharaka Bank Ltd., Kuravilangad.
- (15) Sree Krishna Vilasom Bank Ltd., Tiruvalla.
- (16) United Kerala Bank Ltd., Kayamkulam.

9. No. F. 4 (42)-F. I/55 dated March 30, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Suburban Bank Ltd., Trichur, for the period up to and including the 31st day of March, 1956.

10. No. F. 4 (64)-F. 1/55 dated May 5, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the South Indian National Bank, Ltd., Mavelikara, for the period up to and inclusive of the 31st March 1956.

11. No. F. 4 (47)-F. 1/55 dated May 13, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares in continuation of the notification of the Government of India in the Ministry of Finance No. S.R.O. 1697 dated the 22nd May 1954, that the provisions of section 24 of the said Act shall not apply to any banking company for a further period of one year from the 9th June, 1955, in so far as such provisions :—

- (a) require the inclusion of borrowings by the banking company from the Imperial Bank of India in computing the time and demand liabilities in India of the banking company ; and
- (b) preclude the maintenance by the banking company of the amount specified in that section in the form of approved securities which are lodged with another institution for an advance or other credit arrangement, such securities being valued at a price not exceeding the current market price less the extent to which they have been drawn against or credit arrangements in regard to them have been availed of.

12. No. F. 4(73)-F. 1/55 dated June 1, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply to the undernoted banking companies in so far as they relate to the publication of their balance sheets and profit and loss accounts for the period ended the 31st December, 1954, together with the auditors' report in a newspaper, namely :—

1. Vasudevavilasam Bank Ltd., Perintalmanna.
2. Kannivadi Bank Ltd., Dindigul.
3. Madras City Bank Ltd., Coimbatore.
4. Kamalodayam Bank Ltd., Ponkunnam.
5. South Travancore Bank Ltd., Neyyoor.
6. Koppa Bank Ltd., Koppa.
7. Changanacherry Central Bank Ltd., Changanacherry.
8. Oriental Bankers Ltd., Munnar.
9. Chittattukara Catholic Bank Ltd., Chittattukara.
10. Bengani Bank Ltd., Ladnun.
11. Dooars Union Bank Ltd., Jalpaiguri.
12. Mahaluxmi Bank Ltd., Calcutta.
13. United Mercantile Bank (Assam) Ltd., Golaghat.
14. Bank of Eloor Ltd., Eloor.

15. Malankara Bank Ltd., Tiruvalla.
16. Pioneer National Bank Ltd., Kidangoor.
17. Sree Vardhana Bank Ltd., Kottayam.
18. Union Bank Ltd., Alleppey.
19. Agricultural Bank of Garhwal Ltd., Narendra Nagar.
20. Ajodhia Bank Ltd., Faizabad.
21. National Banking Corporation Ltd., Kachhwa.
22. Oudh Commercial Bank Ltd., Faizabad.

13. No. F. 4 (67)-F. 1/55 dated June 3, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provision of section 11 of the said Act shall not apply to the Kerala Commercial Bank Ltd., Trivandrum, for the period up to and including the 31st March, 1956.

14. No. F. 4 (73)-F. 1/55 dated June 13, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply to the undernoted banking companies in so far as they relate to the publication of their balance sheets and profit and loss accounts for the period ended the 31st December, 1954, together with the auditors' report in a newspaper, namely :—

1. Bank of Travancore Ltd., Trivandrum.
2. Durga Bank Ltd., Chhindwara.
3. Shri Sharada Banking Co. Ltd., Raichur.

15. No. F. 4 (73)-F. 1/55 dated July 1, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply to the Cooch Behar Industrial Bank Ltd., Cooch Behar, in so far as they relate to the publication of its balance sheet and profit and loss account for the period ended the 31st December, 1954, together with the auditor's report in a newspaper.

16. No. F. 8 (23)-F. 1/55 dated July 21, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-clause (ii) of clause (c) of sub-section (1) of section 10 of the said Act shall not apply to the State Bank of India before the 1st July 1956,

17. No. F. 4 (86)-F. I/55 dated August 22, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Presidency Bank Ltd., Kottayam, for the period up to and including the 31st day of March 1956.

18. No. F. 4 (124)-F. I/55 dated August 31, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not apply to the Indo-Commercial Bank Ltd. till the 31st July, 1956, in so far as they relate to its holdings in the Palar Mills Ltd.

19. No. F. 4 (139)-F. I/55 dated September 12, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and on the recommendation of the Reserve Bank of India, the Central Government hereby declares that :—

- (1) the provisions of section 10 (1) (b) (i) (in so far as they relate to the employment of any person who is or at any time has been adjudicated insolvent or has suspended payment or has compounded with his creditors) of the said Act shall not apply to the Prabhat Bank Ltd., the Lakshmi Commercial Bank Ltd., and the New Bank of India Ltd., till the 15th September 1958 ;
- (2) the provisions of section 10 (1) (c) (i) of the said Act shall not apply to the Lakshmi Commercial Bank Ltd., the New Bank of India Ltd., the Commercial Bank of India Ltd., the Punjab Co-operative Bank Ltd. and the Frontier Bank Ltd., till the 15th September 1958 ;
- (3) the provisions of section 10 (1) (c) (ii) of the said Act shall not apply to the Lakshmi Commercial Bank Ltd. till the 15th September 1957 and to the Prabhat Bank Ltd., the Frontier Bank Ltd., the Punjab Co-operative Bank Ltd. and the National Bank of Sialkot Ltd., till the 15th September 1958.

20. No. F. 4 (13)-F. I/55 dated September 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Dharmapuri Taluka Kadagathur Sree Ananda Bank Ltd., Dharmapuri, for the period up to and including the 31st March 1956.

21. No. F. 4 (139)-F. I/55 dated October 1, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), and on the recommendation of the Reserve Bank of India, the Central Government hereby declares that the provisions of section 10(1) (b) (i) (in so far as they relate to the employment of any person who is or at any time has been adjudicated insolvent or has suspended payment or has compounded with his creditors) of the said Act shall not apply to the National Bank of Sialkot Ltd., till the 15th September, 1958.

22. No. F. 4 (152)-F. 1/55 dated October 6, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, up to the period ending with the 30th June 1956, apply to the Gauhati Bank Ltd., Gauhati, in respect of the shares of the Nirmala Tea Co. Ltd., held by the bank on the 2nd July 1955.

23. No. F. 4 (157)-F. 1/55 dated October 11, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Kishanganj Bank Ltd., Kishanganj, for the period up to and including the 31st day of March, 1956.

24. No. F. 4 (172)-F. 1/55 dated November 8, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, up to the period ending with the 30th November 1956, apply to the Manickavelu Banking Corporation Ltd., Bangalore, in respect of the shares of the Mahalakshmi Woollen and Silk Mills Co. Ltd. held by the said Corporation on the 3rd November, 1954.

25. No. F. 4 (2)-F. 1/55 dated December 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, for the period ending with the 30th June 1956, apply to the Hongkong and Shanghai Banking Corporation, Calcutta, in respect of the shares of the Sun Jute Press Ltd. held by the bank on the 4th November 1955.

26. No. F. 4 (199)-F. 1/55 dated December 28, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, for the period ending with the 31st December 1956, apply to the Bank of Jaipur Ltd. in respect of the shares of the Howrah Soap Co. Ltd. and the J. K. Eastern Industries Ltd. held by it on the 28th October 1955.

27. No. F. 4 (205)-F. 1/55 dated December 29, 1955

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not, up to the period ending with the 31st December 1957, apply to the Traders' Bank Ltd., in respect of the shares of the Electrical Fan and Motor Manufacturing Co. Ltd., held by the bank on the 1st January 1956.

28. No. F. 9 (29)-F. I/55 dated January 19, 1956

WHEREAS the Bank Award Commission appointed by the Resolution of the Government of India in the Ministry of Labour No. LR-100(9)/55 dated the 25th day of February 1955 to enquire into and report upon the terms of reference specified in the Resolution of the Government of India in the Ministry of Labour No. LR-100 (56)/54, dated the 17th day of September, 1954, has recommended in Chapter XI of its report dated the 25th day of July, 1955, certain modifications in the appellate decision of the Labour Appellate Tribunal, dated the 28th day of April, 1954, in the matter of the appeals filed before it against the award of the All-India Industrial Tribunal (Bank Disputes), Bombay ;

AND WHEREAS one of the recommendations of the said Commission is that the Government should as soon as may be expedient, appoint a Commission with wide powers to examine the financial position of the Banks incorporated in the Travancore-Cochin State in relation to its economy, suggest measures for their integration and make recommendations in regard to the terms and conditions of service of their employees ;

AND WHEREAS in accordance with section 3 of the Industrial Disputes (Banking Companies) Decision Act, 1955 (41 of 1955), the said appellate decision shall have effect as if the modifications recommended in Chapter XI of the said report had actually been made therein, and appellate decision shall as so modified be the decision of the appellate tribunal within the meaning of the Industrial Disputes (Appellate Tribunal) Act, 1950, (XLVIII of 1950) and the award shall have effect accordingly ;

AND WHEREAS the Central Government is of opinion that it is necessary to appoint a Commission of Inquiry (to be called the Travancore-Cochin Banking Inquiry Commission) for the purpose of examining the financial position of banks incorporated in the State of Travancore-Cochin ;

Now, therefore, in exercise of the powers conferred by section 3 of the Commissions of Inquiry Act, 1952 (LX of 1952), the Central Government hereby appoints a Commission of Inquiry consisting of the following persons, namely :—

1. Shri K. Ramunni Menon, ICS (Retired) Chairman
 2. Dr. P. J. Thomas, Member
 3. Prof. M. L. Dantwala, Member
2. The terms of reference of the Commission will be :—
- I. To enquire into and ascertain :—
 - (a) the position of banking in general in the area covered by the Travancore-Cochin State and the role played by the Banks incorporated in that State in financing economic activities such as agriculture, industry, commerce and trade
 - (b) the financial position of banks incorporated in the State with a view to judging their capacity to function as useful and economic units, having regard to the special characteristics of the economy of the area,

- II. (a) to ascertain whether the terms and conditions of service of workmen of the banks (except the Travancore Bank) incorporated in the Travancore-Cochin State to which the provisions of the Industrial Disputes (Banking Companies) Decision Act, 1955 (41 of 1955), apply should be modified and if so, in what respects, having regard, inter alia, to the effects which the terms and conditions of service that may be recommended by the Commission are likely to have on the general economy of the area.
- (b) to examine the terms and conditions of service of workmen in the banks incorporated in the said State other than those referred to in clause (a) above and to make such suggestions or observations in respect of them as the Commission may deem appropriate, having regard to all relevant considerations, including in particular those mentioned in clause (a).

III. To recommend :—

- (a) having regard to the facts ascertained, what steps should be taken for strengthening the banking business and for the reorganisation or reconstruction of the banking structure in the area, including the amalgamation of units or where appropriate, the elimination of units which cannot usefully survive and
- (b) any other measures which, in the opinion of the Commission, would strengthen and improve banking in the area.
3. The Commission shall hold its enquiry and submit its report to the Central Government by the 31st May 1956.
4. The headquarters of the Commission will be at Trivandrum.
-

APPENDIX III

PRESS COMMUNIQUE

1. Dated February 8, 1955

The Reserve Bank announce that they will be prepared to treat the debentures of land mortgage banks, where these have been guaranteed by State Governments, as on a par with Government securities for the specific purpose of grant of accommodation under Section 17(4) (a) of the Act which governs the Bank. This decision, which should help to improve the marketability of such debentures and therefore strengthen co-operative long-term credit for agriculture, has been taken in pursuance of one of the recommendations contained in the Report on the All-India Rural Credit Survey.

SELECTED CIRCULARS ISSUED TO BANKING COMPANIES

2. DBO. No. Sch. 1662/53-55 dated March 22, 1955

Weekly returns under section 42(2) of the Reserve Bank of India Act, 1934.

In terms of the instructions relating to the form of weekly return forwarded with our letter DBO. No. Bom. 3730/C.236 (D)-53 dated the 12th June 1953, banks were required to include the figures of foreign import bills negotiated under letters of credit under item No. (viii) of the form, viz., 'Advances in India'. The form of the weekly return was subsequently revised with effect from the 13th May 1954 and an additional item, viz., 'Foreign Bills Purchased and Discounted in India' was incorporated therein in order that figures of *all* foreign bills may be shown separately from those of advances. In the light of the queries received from banks since then and with a view to ensuring uniformity in the data reported, banks are requested to include the figures relating to *all* foreign import and export bills purchased and discounted in India (whether drawn under letters of credit or otherwise) in the item 'Foreign Bills Purchased and Discounted in India' if they are not already doing so.

3. DBO. No. Leg. 3478/46A-55 dated June 16, 1955

Amendments to the Reserve Bank of India Scheduled Banks' Regulations and the form of weekly return appended thereto.

The amendment of the Reserve Bank of India Act, 1934 by the Third Schedule to the State Bank of India Act, 1955 has necessitated consequential amendments to the Reserve Bank of India Scheduled Banks' Regulations, 1951 and the form of weekly return appended thereto. A copy of the relative amendments to the Scheduled Banks' Regulations made by the Central Board of the Reserve Bank of India at its meeting held on the 15th June 1955, is enclosed. It will be seen that the amendments to the Regulations and the revised form of weekly return will come into force with effect from the 1st July 1955. Weekly returns in the new form may therefore kindly

be sent to the Reserve Bank of India commencing from the return relating to the position of your bank as at the close of business on the 1st July 1955.

Reserve Bank of India Scheduled Banks' Regulations, 1951.

In exercise of the powers conferred by sub-sections (1) and (2) of section 58 of the Reserve Bank of India Act, 1934 (II of 1934), the Central Board, with the previous sanction of the Central Government, hereby directs that with effect from the 1st July 1955 the following amendments shall be made in the Reserve Bank of India Scheduled Banks' Regulations, 1951, namely :—

1. In regulation 2, a new clause (*bb*) shall be inserted as follows :—
“‘Notified Bank’ means a bank notified under clause (*a*), or as the case may be, clause (*aa*) of sub-section (2) of section 42 of the Act.”
2. The word ‘and’ occurring at the end of clause (*c*) of regulation 2 shall be deleted.
3. The word ‘and’ shall be added at the end of clause (*d*) of regulation 2.
4. In regulation 2, a new clause (*e*) shall be inserted as follows :—
“‘State Bank’ means the State Bank of India constituted under the State Bank of India Act, 1955.”
5. In regulation 4(*c*), the words “State Bank” shall be substituted for the words “Imperial Bank of India”.
6. In the explanation to regulation 8(1), the words “State Bank” shall be substituted for the words “Imperial Bank of India”.
7. For the existing form of return appended to the said Regulations, the following form shall be substituted, namely :—

FORM OF RETURN

(Name of scheduled bank in print or block capitals)

Statement of position at the close of business on Friday*

the

(Rounded off to the nearest thousand)

(i) Demand Liabilities in India.

- (1) Borrowings from Banks other than the State Bank and a notified bank.
- (2) Other demand liabilities.

* Where Friday is a public holiday under the Negotiable Instruments Act, 1881 (XXVI of 1881), for one or more offices of a scheduled bank, the return shall give the preceding working day's figures in respect of such office or offices but shall nevertheless be deemed to relate to that Friday.

(ii) *Time Liabilities in India.*

(1) Borrowings from Banks other than the State Bank and a notified bank.

(2) Other time liabilities.

(iii) *Borrowings in India from the State Bank and/or a Notified Bank.*

(1) Demand liabilities.

(2) Time liabilities.

(iv) *Cash in India.*(v) *Balance with the Reserve Bank in India.*

(1) Principal office.

(2) Other offices and branches.

(vi) *Balances with other Banks in Current Account in India.*(vii) *Money at call and short notice in India.*(viii) *Investments (at Book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts.*(ix) *Advances in India.*(x) *Inland bills purchased and discounted in India.*(xi) *Foreign bills purchased and discounted in India.*

*Note :—Savings Bank Account (Vide Regulation 7).
Demand Liabilities in India.
Time Liabilities in India.*

TOTAL Rs. _____

Station _____

Date _____

(Signatures of Officers with designations)

4. DBO. No. Leg. 3887/C. 353-55 dated July 5, 1955

**Effect of the State Bank of India Act, 1955
on the Banking Companies Act, 1949.**

As you are aware, with effect from the 1st July 1955, the State Bank of India which has been established under the State Bank of India Act, 1955 has taken over the undertaking of the Imperial Bank of India so far as its business in India is concerned. From that day, therefore, the Imperial Bank of India has ceased to function in India. In this connection we have to advise as under :—

(i) Section 24 (2) of the Banking Companies Act, 1949 refers, *inter alia*, to balances maintained by a banking company with the Reserve Bank or its agent or both. As the State Bank of India is the agent of the Reserve Bank of India in terms of section 6 (3) read with section 56 of the State Bank of India Act, 1955, [original section 51 (3) as amended by the State Bank of India (Amendment) Ordinance, 1955] any balance maintained with it would be deemed as balance with the agent of the Reserve Bank. Similarly, balances with the State Bank should be shown under items C. 3, C. 3 and B. 3 in Forms X, XI and XIII respectively.

(ii) Item 1 'CASH' on the Property and Assets side of the form of balance sheet set out in the Third Schedule to the Banking Companies Act, 1949 requires a banking company to show thereunder cash in hand and with Reserve Bank and Imperial Bank of India. In terms of section 56 of the State Bank of India Act, 1955, a reference to the Imperial Bank in the above item shall be deemed to be a reference to the State Bank and cash held with the State Bank may therefore be shown thereunder.

(iii) In terms of the Central Government Notification No. F. 4 (47)—FI/55 S.R.O. 1076 dated the 13th May 1955 all banking companies have been exempted from the provisions of section 24 of the Act to a limited extent up to the 8th June 1956. As has been stated in item (ii) above, in terms of section 56 of the State Bank of India Act a reference to the Imperial Bank of India in clause (a) of the notification should be deemed to be a reference to the State Bank of India.

5. DBO. No. Sch. 5125/C. 2441-55 dated September 5, 1955

Return of limits for credit facilities.

Please refer to our circular letter DBO. No. Sch. 1673/C. 2441-54 dated the 25th March 1954, containing instructions for the compilation of the above return. A scrutiny of the returns since submitted by banks has revealed that the instructions are not strictly observed. We shall, therefore, be glad if they are carefully followed while submitting the returns in future. Certain additional instructions are given below :—

- (i) Limits sanctioned to parties against the security of Government supply bills are to be treated as unsecured and should, therefore, be shown under Part 'B'.
- (ii) Inter-bank borrowings need not be reported.

6. DBO. No. Sch. 6293/66-55 dated October 25, 1955
Remittance Facilities to Scheduled Banks.

In terms of regulation 8(1) (b) of the Reserve Bank of India Scheduled Banks' Regulations, 1951 a scheduled bank is entitled to remit money by draft, mail or telegraphic transfer *once a week* an amount of Rs. 5,000/- or a multiple thereof from any place at which there is an agency of the Bank, to any account which it maintains with the Bank, such remittance being permitted to each of its offices, branches, sub-offices or pay-offices free of charge. It has now been decided to extend the facility available under the above regulation *twice a week* and arrangements are being made to amend the Scheduled Banks' Regulations accordingly. In the meantime, as the agent banks of the Reserve Bank (viz. the State Bank of India, Hyderabad State Bank and the Bank of Mysore Ltd.) have agreed to allow the enlarged facility to scheduled banks, a scheduled bank may with effect from the 1st November 1955 avail of the facilities under regulation 8(1) (b) twice a week instead of once a week as at present.

7. DBO. No. Leg. 6690/C. 181 B-55 dated November 11, 1955

**Indo-Pakistan Agreement on Movable Property of Evacuees, June 1950—
Implementation of the Agreed Decisions reached in the Indo-Pakistan conferences held at Karachi in March-April 1955.**

We have to advise that the Governments of India and Pakistan have arrived at certain conclusions/decisions at the Indo-Pakistan Conferences at Karachi held in March-April 1955, for implementing the Indo-Pakistan Agreement on Movable Property of Evacuees, June 1950. In terms of these conclusions/decisions, a procedure has been evolved for the bulk release of articles belonging to evacuees kept in lockers, or left in the custody of banks for safe deposit and it is now considered necessary to obtain from banks information relating to such lockers and safe deposits. In exercise of the powers conferred by section 27(2) of the Banking Companies Act, 1949, you are, therefore, hereby directed to furnish, in the specimen forms 1 and 2 enclosed, information about lockers and safe deposits in the custody of your bank to be transferred to Pakistan from the areas except the States of Assam, West Bengal, Tripura, Manipur and Jammu and Kashmir. The information, which should be furnished as on the date of this circular, should be supplied separately for each branch. It is desirable that the statements are compiled in consultation with the local Custodian of Evacuee Property. The Custodians are being requested by the Government of India to give full co-operation to the banks in this behalf.

Form 1

Statement showing Lockers and Safe Deposits in the custody of Banks to be transferred to Pakistan.

Name of the Bank _____

Branch _____

Serial No.	Name and Address of the party	No. of Lockers/Safe deposits	Remarks
1	2	3	4

Form 2

Statement showing particulars relating to bank's claims for storage charges in respect of Lockers and Safe Deposits to be transferred to Pakistan.

Name of the Bank _____

Branch _____

Serial No.	Name and Address of the party	No. of Lockers/Safe Deposits	Amount due to bank	Amount paid by the Custodian on behalf of the evacuee, if any	Total amount due from evacuee	Remarks
1	2	3	4	5	6	7

8. DBO. No. Leg. 7070/C. 234-55 dated December 5, 1955

The Banking Companies Act, 1949.

In exercise of the powers conferred by section 27(2) of the Banking Companies Act, 1949, you are hereby requested to furnish information relating to your bank in respect of the appropriations made or proposed to be made from the profits for the year 1955 and the reserves held by your bank either under section 17 or otherwise, as in the specimen forms appended overleaf. Statement No. 2 may please be sent to this office as early as possible but not later than the 31st January 1956. If the information called for in Statement No. 1 is not ready by the 31st January 1956 and if you are unable to furnish even provisional figures by that date, it may be forwarded to us as soon as possible after the 31st January 1956. It is not, however, necessary for you to wait till the books and accounts of your bank have been audited. In case you have no figures to show in either of the above two statements, a 'nil' return in respect thereof may be sent.

STATEMENT NO. 1.

The Banking Companies Act, 1949 [Section 27(2)].

Name of the banking company: _____

Provisional statement showing the amount of net profit (subject to audit) for the year ended the 31st December 1955 and the appropriations proposed to be made therefrom.

	Amount
	Rs.
1. Balance of profit carried forward from the last year's account ..	
2. Add net profit for the year ended the 31st December 1955 ..	
3. Less interim appropriations made	
4. Balance available for appropriation	
5. Proposed appropriations :	
(a) To be transferred to the Reserve Fund	
) To be paid as dividend @ _____ per annum ..	
	(indicate the %)
(c) Any other appropriations proposed to be made (give details) ..	
(d) Balance to be carried forward	

STATEMENT NO. 2.

Statement showing the position of reserves as on the 31st December, 1955.

<i>Nature of reserves</i>	Amount
Rs.	
<ol style="list-style-type: none"> 1. General Reserves including statutory reserves under section 17 of the Banking Companies Act but excluding reserves specially earmarked such as depreciation on investments or dead stock, bad debts, etc. 2. Statutory Reserves under section 17 included in item 1 above. 3. Reserves for investment fluctuations or security depreciation reserves. 4. Other reserves specially earmarked but not applicable to depreciation in investments—Details of each reserve to be given separately. 5. Balances in Contingency Accounts in the nature of reserves: <ol style="list-style-type: none"> (a) not specially earmarked. (b) earmarked for depreciation in investments. 6. Secret reserves. 	

Information under items 5 and 6 need not be given if the total of items 1 to 3 is sufficient to cover the depreciation on investments.

APPENDIX IV
THE RESERVE BANK OF INDIA (AMENDMENT) ACT, 1955

No. 24 of 1955

An Act further to amend the Reserve Bank of India Act, 1934.

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows :-

1. **Short title.**—This Act may be called the Reserve Bank of India (Amendment) Act, 1955.

2. **Amendment of section 2, Act II of 1934.**—In section 2 of the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), after clause (b), the following clause shall be inserted, namely :—

“(bb) “co-operative credit society” means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912 (II of 1912), or any other law relating to co-operative societies for the time being in force in any part of the territories to which this Act extends, the primary object of which is to provide financial accommodation to its members and includes a co-operative land mortgage bank.”

3. **Amendment of section 6, Act II of 1934.**—In section 6 of the principal Act, the words “and a branch in London” shall be omitted.

4. **Amendment of section 8, Act II of 1934.**—In section 8 of the principal Act, in clause (a) of sub-section (1), for the word “two” the word “three” shall be substituted.

5. **Amendment of section 13, Act II of 1934.**—In sub-section (3) of section 13 of the principal Act, for the words “in his absence,” the words “if for any reason, he is unable to attend,” shall be substituted.

6. **Amendment of section 17, Act II of 1934.**—In section 17 of the principal Act,—

(a) in clause (4),—

(i) after the words “State co-operative banks,” the words and figures “State Financial Corporations established under the State Financial Corporations Act, 1951 (LXIII of 1951)” shall be inserted;

(ii) in sub-clause (c), after the words “the Bank,” the words “or as are fully guaranteed as to the repayment of the principal and payment of interest by a State Government” shall be inserted;

(iii) in sub-clause (d), for the words “a cash credit or overdraft granted,” the words “a loan or advance made” shall be substituted;

(b) for clause (4A), the following clause shall be substituted, namely :—

“(4A) the making of loans and advances out of the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit

(Stabilisation) Fund established under section 46A and section 46B respectively for the purposes specified in the said sections.”

7. **Insertion of new sections 46A and 46B in Act II of 1934.**—After section 46 of the principal Act, the following sections shall be inserted, namely :—

National Agricultural Credit (Long Term Operations) Fund.—“46A. (1) The Bank shall establish and maintain a Fund to be known as the National Agricultural Credit (Long Term Operations) Fund to which shall be credited—

(a) an initial sum of ten crores of rupees by the Bank;

and

(b) such further sums of money as the Bank may contribute every year :

Provided that the annual contribution during each of the five years commencing with the year ending on the 30th day of June, 1956 shall not be less than five crores of rupees :

Provided further that the Central Government may, if the circumstances so require, authorise the Bank to increase or reduce the amount of its annual contribution in any year.

(2) The amount in the said Fund shall be applied by the Bank only to the following objects, namely :—

(a) the making of loans and advances to State Governments for subscribing directly or indirectly to the share capital of a co-operative credit society and repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loan or advance;

(b) the making to State co-operative banks of loans and advances for agricultural purposes, repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years from the date of making such loan or advance, against such securities as may be specified in this behalf by the Bank:

Provided that such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government;

(c) the making to Central Land Mortgage Banks of loans and advances repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loan or advance :

Provided that such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government;

(d) the purchase of debentures of Central Land Mortgage Banks :

Provided that such debentures are fully guaranteed as to the repayment of the principal and payment of interest by the State Government.

Explanation.—For the purposes of this section, a Central Land Mortgage Bank includes an institution engaged in the grant of loans on the mortgage of agricultural land and declared as such by the State Government in this behalf.

National Agricultural Credit (Stabilisation) Fund.—46B. (1) The Bank shall establish and maintain a Fund to be known as the National Agricultural Credit (Stabilisation) Fund to which shall be credited such sums of money as the Bank may contribute every year:

Provided that the annual contribution during each of the five years commencing with the year ending on the 30th day of June, 1956 shall not be less than one crore of rupees :

Provided further that the Central Government may, if the circumstances so require, authorise the Bank to increase or reduce the amount of its annual contribution in any year.

(2) The amount in the said Fund shall be applied by the Bank only to the making to State co-operative banks of loans and advances repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years from the date of making such loan or advance and on such terms and conditions as may be specified in this behalf by the Bank :

Provided that no such loans or advances shall be made—

(a) except for the purpose of enabling the State co-operative banks to pay any dues in respect of bills of exchange and promissory notes purchased or rediscounted by the Bank under clause (2) of section 17 or loans and advances made to them by the Bank under clause (4) of section 17, and unless, in the opinion of the Bank, the State co-operative banks are unable to pay such dues in time owing to drought, famine or other natural calamities; and

(b) unless such loans and advances are fully guaranteed as to the repayment of the principal and payment of interest by the State Government."

8. **Amendment of section 47, Act II of 1934.**—In section 47 of the principal Act, for the words "and such other contingencies as," the words "and for all other matters for which provision is to be made by or under this Act or which" shall be substituted.

9. **Amendment of section 52, Act II of 1934.**—In sub-section (1) of section 52 of the principal Act, the words “if appointed by it or at the expense of the Central Government if appointed by that Government” shall be omitted.

10. **Insertion of new section 54A in Act II of 1934. Delegation of Powers.**—After section 54 of the principal Act, the following section shall be inserted, namely:—

“54A. (1) The Governor may, by general or special order, delegate to a Deputy Governor, subject to such conditions and limitations, if any, as may be specified in the order, such of the powers and functions exercisable by him by or under this Act or under any other law for the time being in force as he may deem necessary for the efficient administration of the functions of the Bank.

(2) The fact that a Deputy Governor exercises any power or does any act or thing in pursuance of this Act shall be conclusive proof of his authority to do so.”

11. **Amendment of the First Schedule to Act II of 1934.**—In the First Schedule to the principal Act, in paragraph 3, for the word “Kashmir”, the words “Jammu and Kashmir” shall be substituted.

APPENDIX V

MAIN RECOMMENDATIONS OF THE BANK AWARD COMMISSION

(1) (i) The Labour Appellate Tribunal decision should be restored, subject to certain modifications, in the case of the following banks:

A Class: All banks—Indian and foreign

B Class: All banks except the Bank of Bikaner and the United Bank of India

C Class: (i) Bank of Behar
(ii) Bank of Indore
(iii) Bank of Jaipur
(iv) Bank of Maharashtra
(v) Canara Banking Corporation
(vi) Canara Industrial and Banking Syndicate
(vii) Hind Bank
(viii) Travancore Bank.

(ii) For the following banks which have entered into agreements with employees' representatives before the Commission, the decision should be in terms of the agreements forwarded to Government :—

(a) Bank of Bikaner

(b) Jodhpur Commercial Bank

(iii) The agreements entered into by the following 4 banks with their employees should be approved and enforced :—

(i) Salem Bank
(ii) Vysya Bank
(iii) Bharatha Lakshmi Bank
(iv) Pandyan Bank.

(iv) As regards the remaining C class banks and D class banks, Government modified decision dated the 24th August 1954 should operate, subject to certain specified modifications. Displaced banks and banks incorporated in Travancore-Cochin State, excluding the Travancore Bank, should likewise implement the modified Government decision.

The provision made in the Labour Appellate Tribunal decision (paragraph 109) that as from the 1st April 1959, class D banks should automatically step into class C should be set aside. The position of these banks as at the end of March 1959 should be examined afresh in order to arrive at a decision as to their promotion or otherwise to C class.

(v) The United Bank of India should implement the Sastry Award applicable to banks in B class with effect from the 1st August 1955 subject to certain conditions.

(vi) The agreement entered into between the Indian Bank and its employees' representatives in regard to its promotion from B class to A class as from the 1st January 1956 should be approved and enforced.

(2) The following formula should be adopted for adjustment of the dearness allowance for variations in the cost of living index for clerical and subordinate staff respectively in lieu of the provision in the Labour Appellate Tribunal decision (paragraph 105) :

Clerical staff :

If the average all-India cost of living index for the half-year ending June or December of any year should rise or fall by more than 10 points as compared to 144 (1944—100), the dearness allowance for the succeeding half-year will be raised or lowered by one-seventh of the dearness allowance admissible at the index level of 144 for each variation of 10 points.

Subordinate staff:

If the average all-India cost of living index for the half-year ending June or December of any year should rise or fall by more than 10 points as compared to 144 (1944—100), the dearness allowance for the succeeding half-year will be raised or lowered by one-tenth of the dearness allowance admissible at the index level of 144 for each variation of 10 points.

(3) The provision made in the Labour Appellate Tribunal decision (paragraph 164) in regard to fitting employees into the new wage structure (i.e. giving weightage for past service) should be confirmed in the case of A class banks only. In the case of B, C and D class of banks, the provision in the Sastry Award with a ceiling of 4 increments for past service which has been upheld in the Government modified decision dated the 24th August should be applied.

(4) The provision for the creation of an additional Area IV comprising places having a population of 30,000 or less as per clause 3(a) of the Government modified decision dated the 24th August 1954 together with the pay scales and allowances prescribed for such area should be confirmed.

(5) The creation of a further special area under Area IV i.e. places having a population of 30,000 or less in Part 'B' and Part 'C' States (other than Delhi, Ajmer and Coorg) which, under the Government modified decision has been given total exemption from the award, should be set aside except in the case of banks incorporated in Travancore-Cochin State (excluding the Travancore Bank).

(6) Banks incorporated in the Travancore-Cochin State, except the Travancore Bank, should be allowed complete exemption from the operation of any award in respect of their business within the limits of the exempted area for a maximum period of two years from the date of announcement of Government's final decision on the Commission's report. Government should, as soon as may be expedient, appoint a Commission with wide powers to examine the financial position of banks incorporated in the State in relation to its economy, suggest measures for their integration and make recommendations in regard to terms and conditions of service of their employees. In case such a Commission is not appointed or after appointment is unable to make its recommendations within two years or in case its recommendations are received but not implemented within two years, the exemption granted to the branches of these banks should be withdrawn.

(7) Clause 3(g) in the Government modified decision (which protects the emoluments of employees for March 1954 for a period of one year) should be confirmed and applied to Government modified decision or Labour Appellate Tribunal decision as the case may be, save that, in connection with the deductions in three instalments as contemplated by the said provision, banks should be entitled to adjust the increments due to employees against the temporary adjustment difference payable to them. This clause should have retrospective effect from the 1st April 1954, the first cut falling due on the 1st April 1955. In giving effect to this changed provision, employees should not be required to refund any amount already received by them.

(8) Employees should be entitled to the right of option to the existing terms of service as confirmed by the Labour Appellate Tribunal decision but the period for such option mentioned in that decision (paragraph 393) should, as a consequence of the Commission's recommendations, be refixed and extended to three months from the date of pronouncement of Government's final decision on the Commission's report. Where employees of any banks have already exercised their option on the assumption that the Government modified decision has come to stay, such option should be allowed to be revised and another opportunity given to employees to opt either for the final decision of Government on the Commission's report or for the terms offered by the respective banks.

(9) The provision for accumulation of medical relief in the Labour Appellate Tribunal decision (paragraph 285) should be dropped; the provisions in the Sastry Award in regard to medical relief (paragraphs 450 and 451) should be confirmed.

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