

TREND AND PROGRESS OF BANKING IN INDIA



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

1953

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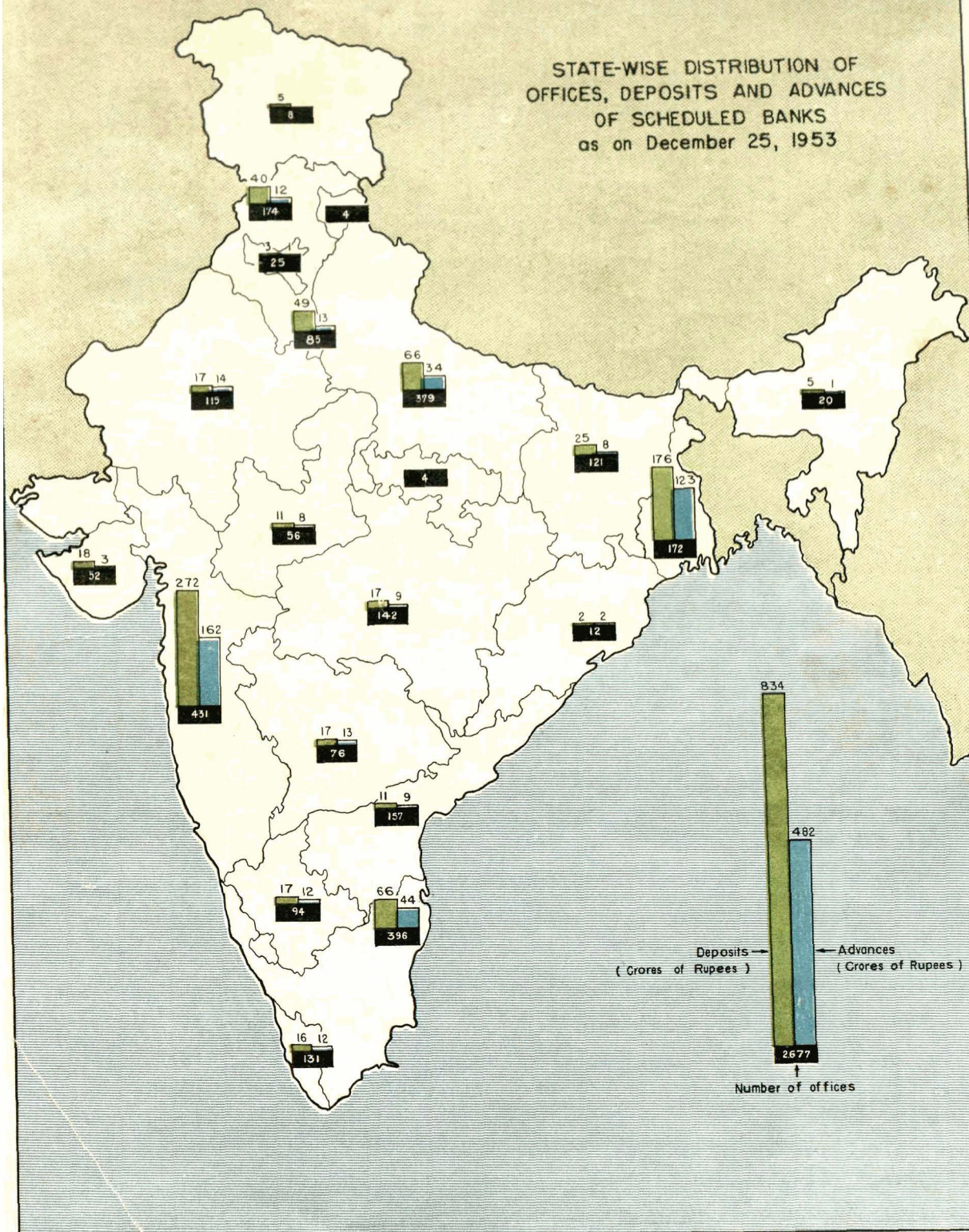
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STATE-WISE DISTRIBUTION OF OFFICES, DEPOSITS AND ADVANCES OF SCHEDULED BANKS as on December 25, 1953



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INTRODUCTION

THE reactivation of monetary policy in recent years has been accompanied by a flexible use of the traditional instruments of credit control to suit the general economic and financial conditions. With the easing of inflationary pressures in several countries and the emergence in some of signs of business downtrend, there was, in 1953, a cautious reversal of some of the measures taken by them earlier to restrict the volume of credit expansion. In the U.K., the Bank rate was lowered in September 1953 from 4 per cent to $3\frac{1}{2}$ per cent. This step which followed certain relaxations in the grant of overseas credit earlier in the year marks an important landmark in post-Korean British monetary policy. In the U.S., the year opened against the background of credit inflation to curb which the Federal Reserve Banks put up their discount rate by $\frac{1}{4}$ per cent to 2 per cent early in 1953. In the spring, however, there developed a serious credit stringency and by the middle of the year Federal Reserve policy was modified so as to relieve the strain on the banking system. A progressive increase in open market purchases by the Federal Reserve Board, as well as the reduction in reserve requirements eased the burden on the banking system which, as a result also of the declining credit demands later on, ended the year with a considerable degree of comfort. Owing to this and the slackening of economic activity the discount rate was restored to its pre-January 1953 level. In continental countries also there was a similar easing of credit policies. The Austrian, Belgian, Danish, Dutch, French, West German and Swedish monetary authorities effected reductions in the discount rates while in Latin America, Mexico and Ecuador liberalised credit policies. On the other hand, in two Commonwealth countries—Ceylon and New Zealand—further restrictions were placed on credit. While shifts in policy have thus not been uniform in all the countries, there has been a general tendency towards monetary liberalisation.

The increasing confidence in the pound sterling abroad and an improvement in the country's gold and dollar reserves enabled the Bank of England to relax, late in July, many of the restrictions on the grant of overseas credit that were brought into effect in February 1952. The change in policy was designed to stimulate British exports. More significant than this was the lowering, on September 17, of the Bank rate by $\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent. The reduction, which was explained as a technical adjustment to facilitate a more flexible use of the monetary weapon, ended what in effect had been a duality of the Bank rate since November 1951, the Bank rate now being unified with the Special rate of $3\frac{1}{2}$ per cent at which the Bank made 7-day loans to the money market against Treasury bills. While, therefore, there was no change in the effective rate at which the market had to borrow from the Bank, the cut in the Bank rate was, however, a signal for a general downward adjustment of money market rates, and offered an opportunity for introducing an element of flexibility in their structure. The easing of money market rates was followed by a reduction in the interest charges of the Agricultural Mortgage Corporation and the Public Works Loan Board. There was also a relaxation, late in the year, in the procedure relating to capital issues banks being given greater discretion in the matter of credit extension. Over 1953, net deposits of

the clearing banks rose by £215.8 million; the increase took place in the last three quarters of the year and reflects the rise in Government credit demands on the banking system. The volume of Treasury bill holdings which was the main counterpart of the increase in deposits, rose between April and September by £383.8 million, the October refunding operation, however, leading to some decline. The operation itself was noteworthy inasmuch as there was no suggestion on the part of the authorities, as in previous years, that banks should take this opportunity for reducing their liquidity ratios, which it may be mentioned, remained generally much above the conventional minimum. Over the year, advances of the clearing banks were lower by £42.1 million but the fall does not really indicate a decline in private borrowing as the figures include a substantial amount of repayments by the nationalised gas and electricity undertakings consequent on their raising market loans.

In the U.S., the closing months of 1952 saw a steep increase in member bank credit with a consequent pressure on bank reserve positions and to ease this member banks availed themselves of Federal Reserve credit in substantial measure. Short-term rates were moving upwards and it was against this background that in January 1953 the Federal Reserve Banks raised their discount rates from $1\frac{1}{4}$ per cent to 2 per cent. The pace of credit expansion, however, continued to be rapid and over this high level of business demand there were superimposed considerable increases in consumer and mortgage credit. Alongside the increasing demands from the private sector for bank credit, expectations of a large volume of Treasury financing forced interest rates further upward and as a consequence serious credit stringency was experienced. Commercial banks became more selective in their lending operations and the prime commercial loan rate in New York was put up in April by $\frac{1}{4}$ per cent to $3\frac{1}{4}$ per cent. The increasing credit volume, the consequent strain on member banks' reserve positions and the approach to the Reserve Banks for discount facilities restored to the central banking system some initiative over the credit situation. The strain on the banks was eased to some extent by the purchase of securities in the open market from May onwards, and the reduction of the reserve requirements in July, which was estimated to release \$1.2 billion of reserves, further relieved the tightness of the banks' reserve position. In autumn, however, it appeared that the prospective seasonal business demand was lower than anticipated and the banks' position was further eased by the drawing down of Treasury deposits with the Federal Reserve Banks. The resulting easiness in the monetary situation was reflected in the ability of banks to repay their borrowings to the Federal Reserve and raise the level of their free reserves. In the closing months of the year, banks were adequately supplied with funds despite the seasonal drain of cash and the year which began against the background of exceptional credit demands closed amidst a general sentiment of easy money. As a result of stepping up of Federal open market purchases following the development of recessionary tendencies and the more comfortable banking situation, money rates were moving downwards and in February 1954 the Federal Reserve Banks restored their discount rate to the pre-January 1953 level of $1\frac{1}{4}$ per cent, reflecting official recognition of the easier money conditions.

In the Western European countries also, there was a general tendency towards lifting of the credit restrictions placed earlier. In Austria, where monetary policy had, in the post-Korean period, played a significant part in the restoration of relative economic stability, the authorities reduced the discount rate thrice in the course of the year from an initial level of 6 per cent to 4 per cent. In Western Germany, the improvement in the external payments position and in the internal economic situation permitted the reduction of the Bank rate twice during the year from an initial level of $4\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent; reserve requirements also were reduced and banks were able to meet the credit demands from trade and industry with a reasonable degree of comfort. Similarly, in Belgium the general improvement in the economic situation enabled the National Bank to lower the discount rate in October to $2\frac{3}{4}$ per cent while in the Netherlands the improvement in the country's balance of payments and a higher level of economic activity permitted the central banking authorities to reduce the discount rate in April by $\frac{1}{2}$ per cent. In Sweden and Denmark, the discount rates were lowered by $\frac{1}{4}$ per cent to $2\frac{3}{4}$ per cent and by $\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent, respectively, though in Sweden the control on bank credit through quantitative measures and selective lending policies was retained. In France, the Bank rate was reduced by $\frac{1}{2}$ per cent in September 1953 to $3\frac{1}{2}$ per cent but other credit controls were retained. The rate was further reduced to $3\frac{1}{4}$ per cent in February 1954 as part of the development policy to raise industrial production and national income.

In New Zealand, on the other hand, the excess cash accruing to trading banks was sought to be absorbed by the raising of reserve requirements while in Ceylon the Central Bank put up its rate on advances by $\frac{1}{2}$ per cent to 3 per cent in July, though two months later, deposit reserve requirements were reduced. In Norway, the deterioration in the terms of trade led to a directive in August to commercial banks to restrain their lending operations generally while in Greece also certain direct advances by the Bank of Greece were limited.

By the end of 1953 in most countries inflationary pressures had been brought under control and a measure of economic stability attained. In achieving this improved position, monetary policy, which no doubt played an important part, was aided by appropriate fiscal and commercial policies.

CHAPTER I

BANKING IN THE NATIONAL ECONOMY

1953 was, on the whole, a quiet year for Indian banking. Whereas 1951 witnessed a high level of bank activity as a result of the post-Korean boom and 1952 was marked by the adjustment of the banking system to the new monetary policy initiated in November 1951, the year under review was notable for the return of the banking system to comparatively normal conditions. This development in itself reflects the successful completion of the re-adjustment of the banking system to the disinflationary monetary policy. The seasonal movements in bank credit in 1953 consequently resumed a more even tenor; in the busy season of 1952-53, there was an outgo of Rs. 86 crores from the banking system, slightly more than this amount being returned in the succeeding slack season; this indicates that the credit expansion earlier in the year was almost wholly for genuine seasonal trade purposes. In the closing weeks of the year again the pull of the 1953-54 busy season began to make itself felt and by December end the level of scheduled bank credit had increased by Rs. 10 crores. Over the year as a whole bank credit declined moderately by Rs. 10 crores; this compares with a fall of Rs. 66 crores in 1952 and a rise of Rs. 118 crores in 1951. Despite the higher level of production and prices as also of business activity credit demands were relatively moderate; these were adequately met as indicated by the smaller net decline in bank credit in 1953 and in the process there was no undue strain on the banking system. Net deposits of scheduled banks rose over the year by Rs. 8 crores, being the result of an increase in time deposits of Rs. 12 crores, and a fall in demand deposits by Rs. 4 crores. The increase in deposits of banks in 1953 following the slight decline in 1952 seems to indicate that the post-Partition downward movement in deposits has been arrested. The banking system had also built up a portfolio of Treasury bills during the slack season to be used as a source of finance to meet the seasonal demand. In addition some exchange banks augmented their resources by short-term borrowing from abroad though not on any large scale. To supplement their resources banks also availed themselves of the borrowing facilities from the Reserve Bank and in the course of the year the Bank made available financial accommodation to scheduled banks of the order of Rs. 195 crores in the aggregate, the greater part of which was against Government securities. The approach to the Reserve Bank for financial assistance has now become, since the reorientation of the Reserve Bank's open market policy over two years ago, a regular feature of banks' policies to augment their resources in the busy season. This has led to more frequent contacts between the central bank and the banking system and to a better mutual understanding, which is welcome in the context of the responsibilities placed on the banking system in the Five-Year Plan.

	The general economic situation in India showed a marked improvement over the previous year. Production, both industrial and agricultural, was higher and with a better supply position it was possible to remove some of the controls on distribution and prices of food-
Economic Background	

grains and other commodities during the course of the year. The general price level in 1953 was slightly higher than that in 1952 though the range of fluctuations during the year was smaller than in 1952 when, it would be remembered, there occurred a sharp break in prices in February-March. With the attainment of relative stability in prices and an improvement in production and supply of major commodities, here as well as abroad, there was a transition to conditions of a buyers' market which, though gradual, was nonetheless noticeable. Some of India's important export industries like jute and cotton textiles faced increasing difficulties in foreign markets with the result that production in certain lines of industry suffered setbacks, though for the industrial sector as a whole the year recorded a distinct improvement.

The Economic Adviser's General Index of Wholesale Prices (Base: Year ended August 1939=100) showed over the year a net rise of 4.8 per cent as compared with the sharp decline of 13.4 per cent in 1952. Upto the middle of August prices rose almost continuously due to the seasonally tight supply position and expectations of lower levels of production in several lines. There were also some speculative influences at work tending to keep prices high. In the last four months of the year, however, prices receded mainly due to expectations of larger production, particularly in the agricultural sector, and of possible weakening of external demand.

The general improvement in the supply position for the year as a whole was reflected in the rising trends in industrial production. The increase in the average index of industrial production in the first nine months of 1953 was 5.7 per cent as compared to the corresponding period of 1952. While most of the major industries recorded marked increases in production, in the steel, jute manufacturing and sugar industries, production suffered setbacks though it continued to be higher than in 1951. The improvement in production was made possible by larger supplies of industrial raw materials and generally better industrial relations. In the steel industry, however, the decline in production may be partly attributed to the strike in one of the major producing units. Government policy with regard to adjustment of export duties as well as removal, or relaxation of price controls in certain fields facilitated the increase in production.

The external payments position showed an improvement over the record of 1952. In the first nine months of the year there was a current account surplus of Rs. 4 crores despite the second quarter showing a deficit. This contrasts with a deficit of Rs. 36 crores in the first nine months of 1952. The improvement in the payments position was, however, achieved at a lower level of trade.

The reduced level of foreign trade and the moderate increase in prices and in industrial production were reflected in the behaviour of bank credit during 1953. Whereas bank credit, as mentioned earlier, expanded by Rs. 118 crores in 1951 and declined by as much as Rs. 66 crores in 1952, the fall in 1953 amounted to Rs. 10 crores only, which indicates that credit demands although somewhat higher, were generally restrained;

Trends in Bank
Credit

this may be partly attributed to the uncertainties facing certain important export industries. A more normal relationship between the level of bank credit and that of economic activity appeared to have been reached in 1953 showing the continued success of the economic and financial policies pursued during recent years. Trends in money supply also indicate the result of the working out of the corrective process of these policies. Whereas in 1952 there was a decline in money supply of the order of Rs. 96 crores due partly to a contraction in bank credit and a shift from demand to time deposits, in 1953 money supply with the public showed a fair amount of expansion. Currency with the public increased by Rs. 34 crores and deposit money* by Rs. 5 crores. The expansion in money supply was more marked in the last quarter of the year and may be attributed to the increasing tempo of developmental expenditure and may be viewed in the context of a seasonal increase in credit, the higher level of production, a better balance of payments position and the slight rise in prices of some commodities. Central Government deposits with the Reserve Bank registered a sharp fall of Rs. 65 crores in 1953 as against a decline of Rs. 36 crores in 1952, while the Bank's holdings of foreign assets increased by Rs. 17 crores as against a fall of Rs. 76 crores in 1952. In the 1952-53 busy season the total money supply expansion was of the order of Rs. 88 crores while the contraction in the ensuing slack season amounted to Rs. 112 crores. Between September, when the signs of the busy season reappeared, and the end of the year the increase in money supply totalled Rs. 48 crores as compared with a fall of Rs. 11 crores in the corresponding period last year.

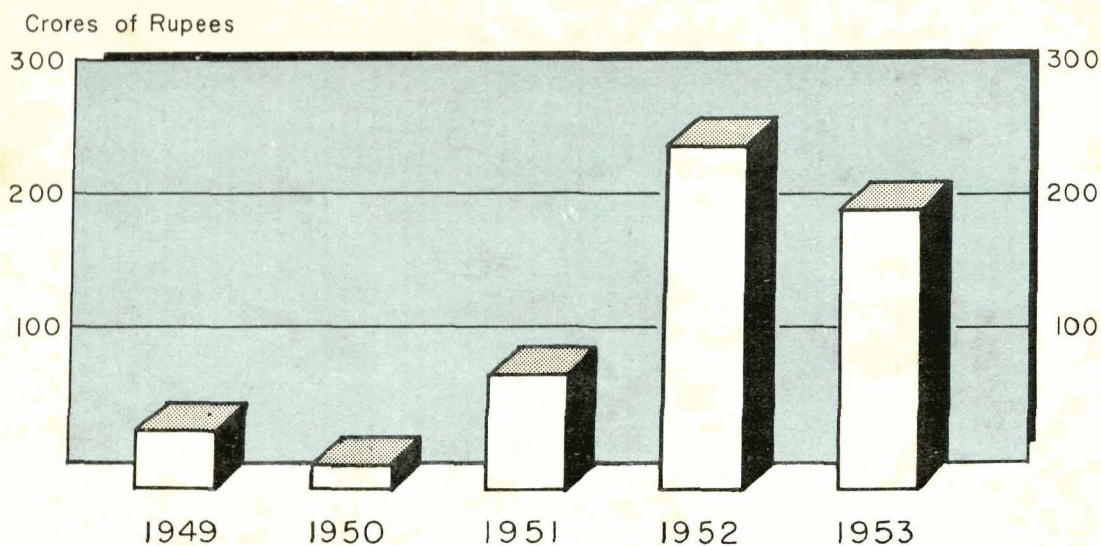
Trends in bank credit in 1953 reflect a year of normal banking activity, the restrained level of credit demands being met without much difficulty by the banking system out of its own resources and central bank assistance. The beginning of the year coincided with the busy season of 1952-53 moving to its peak. During this busy season the expansion of bank credit amounted to Rs. 86 crores which was less than the expansion in the previous (1951-52) season of Rs. 100 crores. Nevertheless there is reason to believe that *bona fide* credit requirements of trade were adequately met. Commercial advances in the first quarter of 1953, as disclosed in the surveys conducted by the Bank, rose by Rs. 38.8 crores while industrial advances increased by Rs. 25.2 crores. This is in contrast with a rise of Rs. 5.8 crores in commercial advances and Rs. 38.0 crores in industrial advances in the first quarter of 1952 and suggests that by March 1953 the usual pattern of distribution of bank credit between the various sectors of the economy was re-established; it would be remembered that in 1952 it was the commercial sector that was affected by the disinflationary monetary policy to a larger extent than the other sectors.

The slack season contraction of bank credit in 1953, as in the previous year, was higher than the preceding busy season expansion. Between May 8 and November 20 the credit contraction amounted to Rs. 90 crores and exceeded the previous busy season expansion by Rs. 4 crores. Between November 20 and

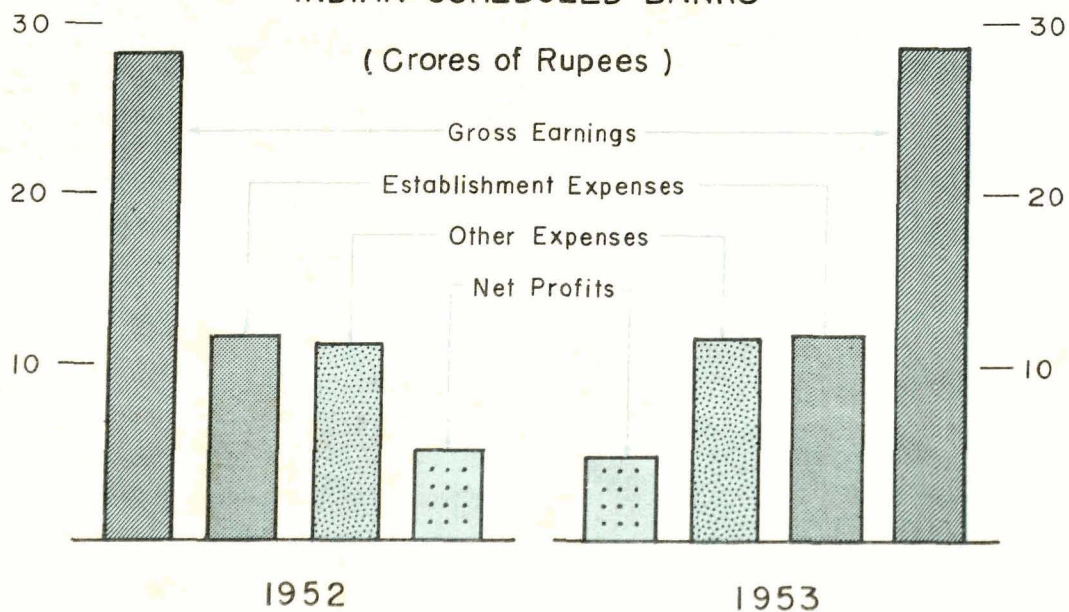
* Comprising demand liabilities (net) of scheduled, non-scheduled and co-operative banks and deposits with the Reserve Bank other than those of Central Government and banks.

GRAPHS 1 AND 2

ADVANCES OF THE RESERVE BANK TO SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS



EARNINGS AND EXPENSES OF EIGHTEEN LARGER INDIAN SCHEDULED BANKS



December 25, advances moved up by Rs. 10 crores as compared with a rise of Rs. 17 crores in the corresponding period of the preceding year. The smooth return of funds to the banking system in the slack season reaffirms the belief expressed in the previous Report that the seasonal rise in advances now seems to be stemming from genuine trade requirements.

The relatively more comfortable position of the banking system during the year is reflected in the lower volume of Reserve Bank lending to banks. Since the change in monetary policy in November 1951, Reserve Bank financial assistance to the banking system has mainly taken the form of advances under section 17(4)(a) or (since the inauguration of the bill market scheme) under section 17(4)(c). The advances made under the two sub-sections in 1952 and 1953 (and in 1954, upto April 16, 1954) are set out below :—

(In crores of rupees)			
Period	Section 17(4)(a)	Section 17(4)(c)	Total
1952.. ..	164.25	81.45	245.70
1953.. ..	129.58	65.84	195.42
1954 (Jan 1 to April 16)	60.68	53.22	113.90

*Note :—*In addition, in 1953 Reserve Bank purchases and/or rediscounts of Treasury bills held by the public amounted to Rs. 35 crores.

It is interesting to observe that nearly 700 more loans were made for general banking purposes in 1953 as compared to last year though the gross amount lent for such purposes has been lower by about Rs. 35 crores. On the other hand, the average amount of loan has been higher in the case of advances made under the bill market scheme, as in 1952 100 loans made under this scheme aggregated to Rs. 81.45 crores. Much the greater portion of the loans for general banking purposes were made in the first half of the year. The repayment by the banking system of its borrowings from the Reserve Bank took place in an even manner in the slack season, the outstandings having dwindled to a low of Rs. 1 crore on November 20. As the year advanced, the 1953-54 busy season activity gathered momentum and therefore banks resumed their borrowings from the Reserve Bank, the amount lent in the month of December under section 17(4)(a) standing at Rs. 15.19 crores as against Rs. 8.78 crores in November and Rs. 3.62 crores in October, the corresponding figures in the last year being Rs. 19.50 crores, Rs. 1.87 crores and Rs. 1.80 crores.

The reliance on the use of central bank credit when conditions of stringency develop in the money market has not only made the flow of credit even but assured trade and industry of supplies of funds without an undue rise in lending rates. Banks obtained financial accommodation from the Reserve Bank either (a) against Government securities or (b) against usance bills under the bill market scheme or (c) through re-discount of Treasury bills. With a view to enabling more

scheduled banks to take advantage of the bill market scheme, it was decided to extend it to scheduled banks having deposits (including deposits outside India) of Rs. 5 crores or more and in possession of a licence granted by the Reserve Bank of India in terms of section 22 of the Banking Companies Act, 1949. It was further decided for a period of one year in the first instance, commencing from October 1, 1953, to refund such cost of the stamp duty as is in excess of Re. 0-1-0 per Rs. 1,000 instead of half the cost of stamp duty as hitherto. While this modification of the concession makes no difference in regard to bills executed in Part 'A' or 'C' States it would give additional relief to banks or their constituents in regard to bills executed in Part 'B' States where the incidence of stamp duty on bills is comparatively high.

It was mentioned in last year's Report that in 1952 with a view to providing adequate finance to meet the difficulties in certain sectors of the economy, steps were taken by the Reserve Bank to help the financing of imported cotton and to ensure an adequate supply of funds to the tea gardens. As the purpose for which the cotton finance scheme was introduced had been adequately served, it was decided to withdraw the scheme. Accordingly, Government by a resolution dated December 29, 1953, withdrew the guarantee given by them in terms of their resolution of March 31, 1952, to purchase, if necessary, from the scheduled banks at specified prices American and East African cotton of the 1951-52 crop held by them subject to certain conditions.

In the case of the scheme designed to help mitigate the financial difficulties of some of the tea gardens, the Government guarantee in respect of bank advances to such tea gardens in the Darjeeling area was raised from 15 to 20 per cent, thus bringing the gardens in that area on a par with those situated in Cachar, Tripura, Dooars and Terai areas. If the borrowing garden is situated elsewhere, the guarantee continues to be limited to 15 per cent of the total amount that may have been repaid by the borrowing garden to the scheduled bank or the apex co-operative bank in discharge of the loans or advances availed of by it for financing the previous (1952-53) tea season. The total amount availed of under the scheme in the 1953-54 tea season was Rs. 2.91 lakhs. The improvement in tea prices, however, has not necessitated assistance under the scheme on any large scale.

The business of co-operative banks now represents a larger volume than that of non-scheduled banks, despite the larger number of non-scheduled banks in existence. In 1953, the Reserve Bank advanced to the co-operative banks 883 loans aggregating Rs. 13 crores at the preferential rate of 1½ per cent for financing agricultural operations and marketing of crops, as against Rs. 10 crores in 1952, Rs. 9 crores in 1951 and Rs. 5 crores in 1950. In addition, 15 loans (amounting to Rs. 34 lakhs) were made for *bona fide* commercial transactions. There was no occasion during the year for co-operative banks to approach the Reserve Bank for loans to meet withdrawal of deposits.

The post-war decline in the number of offices of banks continued during 1953, the fall being 25. The number of scheduled banks' offices remained unchanged while those of non-scheduled banks declined by 25. There was an increase of 2 in the offices of exchange banks offset by a decline of 2 in those of other scheduled banks*.

Indian scheduled banks opened 90 offices during the year; of these, 17 were in Madras, 15 in Bombay, 9 in Uttar Pradesh, 7 in Andhra, 6 in Madhya Pradesh, 5 each in the Punjab, PEPSU and Delhi, 4 in Hyderabad, 3 each in Bihar, West Bengal and Cutch, 2 each in Madhya Bharat and Mysore, and 1 each in Assam, Rajasthan, Ajmer and Vindhya Pradesh. Of these, the Imperial Bank accounted for 16 offices. Upto the end of December 1953, the Imperial Bank has, in partial implementation of the recommendations of the Rural Banking Enquiry Committee, opened 30 branches and converted 10 Treasury Pay Offices into branches.

One hundred and thirty-one applications for licences in terms of section 23 of the Banking Companies Act in respect of 176 offices (including 13 outside India) were received during the year under review. Of the total applications, 158 were for opening new offices, 13 for opening temporary offices and 5 for changing the location of existing offices. No application for opening a temporary office was rejected while 2 applications for changing the location of existing offices were declined, the other 3 being accepted. So also 32 applications for opening new offices including 2 for offices outside India were declined, the other 126 being accepted.

Mention was made in the Report for last year of the existence of 54 banks which were incorporated in the former Indian States and in which State Governments had a financial interest; not all of these are banking companies as defined in the Banking Companies Act. It was pointed out that the Reserve Bank has recommended the amalgamation of some of them with larger units, the liquidation of some others, and the conversion of some more into either joint stock or co-operative banks.

On the recommendation of the Reserve Bank, the assets and liabilities of 4 small banks in Rajasthan were transferred to the Bank of Rajasthan during the year 1952 as mentioned in the previous Report. In Hyderabad, one bank in which

* The variations in the number of offices of exchange, other scheduled and non-scheduled banks are explained below :—

<i>Exchange Banks</i>	<i>Other Scheduled Banks</i>	<i>Non-Scheduled Banks</i>
New offices opened .. + 3	New offices opened .. + 90	New offices opened .. + 6
Existing offices closed — 1	Increase due to inclusion of 1 bank in Second Schedule + 1	Increase due to exclusion of 3 banks from Second Schedule + 47
	Existing offices closed .. — 46	Existing offices closed .. — 77
	Decrease due to exclusion of 3 banks from Second Schedule — 47	Decrease due to inclusion of 1 bank in Second Schedule — 1
Net + 2	Net — 2	Net — 25

the State Government had a financial interest entered into an agreement with a State Bank whereby it transferred some of its assets and all liabilities to the latter. Of the remaining banks in which State Governments had a financial interest, one converted itself into a co-operative society while 12 other banks either went into voluntary liquidation or were ordered to be wound up. Yet another was served with a notice in terms of section 22 of the Banking Companies Act whereby it was refused a licence to carry on banking business. Thus there are 35 banks working at present in which State Governments have a financial interest owing to holding of either deposits or of part of capital, or both. The addition of one bank which was not included in the previous year's Report, however, raises the number of such banks to 36 at the end of 1953.

It may be mentioned in this connection that a proposal to amalgamate three scheduled banks in Rajasthan, in which the State Government has a financial interest, is still under consideration, while in another State two banks in which the same State Government has an interest propose to transfer their assets and liabilities to a State Bank in that State. Moreover, proposals for conversion into co-operative institutions or non-banking companies are under consideration in the case of 4 banks. As legal and constitutional issues involved in the conversion of some of the State-owned and State-controlled banks into ordinary joint stock banks are yet to be resolved, these cases are still pending.

In the course of the year, the Reserve Bank concluded agreements with two more Part 'B' States, viz., Hyderabad and Saurashtra whereby it is now the sole banker to these States as it already is to all the Part 'A' and Part 'C' States. The agreements are similar to those executed last year with the Governments of Travancore-Cochin, Madhya Bharat and Mysore. Subject to certain transitional provisions made in the agreements so as not to disturb unduly the existing arrangements in the States, the Reserve Bank is conducting on behalf of the Governments of Hyderabad and Saurashtra, from April 1, 1953, and January 1, 1954, respectively, all their money and banking transactions, is in charge of their exchange and remittance facilities, receives and keeps in deposit their cash balances, manages their public debt, will issue their new loans, if any, and when the need arises, grant them ways and means advances in accordance with the prescribed procedure. To enable the Reserve Bank to discharge some of these functions, currency chests have been established at selected centres in these States, it being the intention to increase the number of such chests gradually. With the conclusion of the agreement with the Government of Hyderabad, the Hyderabad State Bank was appointed the Reserve Bank's agent in that State as from April 1, 1953; in Mysore, the Bank of Mysore was appointed the agent of the Reserve Bank as from November 1, 1953, on the completion of the preliminary arrangements referred to in last year's Report. With effect from the above dates, these two banks have been entrusted by the Reserve Bank with the management of banking business of the Governments of the respective States as also of the Central Government within the territorial limits applicable in each case. In the case of the Hyderabad State Bank,

the agency arrangements have been confined for the present to branches of the bank which were already doing State Government work on the eve of the execution of this agreement. The agency of the Bank of Mysore has, in the first instance, been confined to three centres in the State, namely, Mysore, Shimoga and Mandya. It is proposed, however, to extend the agency to four more district centres with effect from April 1, 1954, or as early as possible thereafter. At other centres in the States, Government business is being managed by the State Governments departmentally through their Treasuries and sub-treasuries.

The terms of agency in both the cases follow in broad pattern the existing arrangements between the Reserve Bank and the Imperial Bank of India whereby the latter functions as the Reserve Bank's agent in Part 'A' and Part 'C' States. As per the terms of the agency, a representative each of the Central Government and the Reserve Bank has been nominated on the Board of each of the two banks. The appointment of the State Bank of Saurashtra as the Reserve Bank's agent in that State will be considered in due course after various preliminary issues connected with the question are settled. In the meantime, the State Bank will continue to transact the State Government's cash work at certain of its branches under its existing arrangements with the State Government direct. The cash work at Rajkot will, however, continue to be performed by the Imperial Bank as agent of the Reserve Bank in terms of its agreement with the latter.

The proposal mentioned in the previous year's Report of the Reserve Bank opening an office at Bangalore was given effect to during the year and as from July 1, 1953, an office of the Bank was opened there; among other functions, this office conducts the Central and State Governments' cash work at that centre and provides adequate remittance and exchange facilities to the banks and the public.

The total number of Indian scheduled banks' offices outside India rose during the year by six. One more office was closed down in Pakistan while 7 new offices were opened during the period, 2 of them in London, 1 at Aden, and 2 each at Mombasa and Kampala. The consolidated position of the assets and liabilities of Indian scheduled banks' branches in foreign countries as on December 24, 1953, discloses that their total deposits outside India amounted to Rs. 67 crores, their liquid resources to Rs. 38 crores and loans and advances including bills purchased and discounted to Rs. 36 crores.

The efficiency of the banking system depends in a large measure on the quality of the supervisory staff working in banks. The absence of an institution designed to provide instruction in modern banking techniques has proved a serious handicap to raising the level of banking service in this country and the paucity of adequately trained staff has limited the scope of extending banking facilities over a greater area and a wider range of functions. With a view to overcoming this handicap, the Reserve Bank has had under consideration for some time past, the question of providing

training facilities for the employees of commercial banks in India. Informal discussions were held with the representatives of the Indian Banks Association and the Indian Institute of Bankers and the Bank drew up a tentative scheme for the establishment of a Staff Training College on the lines of similar institutions in advanced countries. This tentative scheme met with satisfactory response from the banks and a committee of bankers and others concerned with training in banking has been set up to assist in the formulation of the proposals in regard to the various details of the scheme. The committee submitted its report in January 1954 and the salient features of the scheme as outlined by the committee are that the college, which should be located in Bombay, should provide for three courses of 14 weeks' duration every year, the number of trainees in each course being about 40. The course of training is to be primarily practical in its nature, the syllabus avoiding overlapping with that prescribed for the Institute of Bankers' examination. In addition to the practical training, lectures for trainees on subjects of interest to bankers by outside experts from the academic and business fields are proposed. To ensure that the proposed training college is established and conducted on the right lines, arrangements are being made by Government to secure in the initial stages, the services of two British experts under the Colombo Plan. It is hoped to establish the College, whose administrative expenses will be borne by the Bank, as early as practicable. The College is intended to impart training to the supervisory staff of banks.

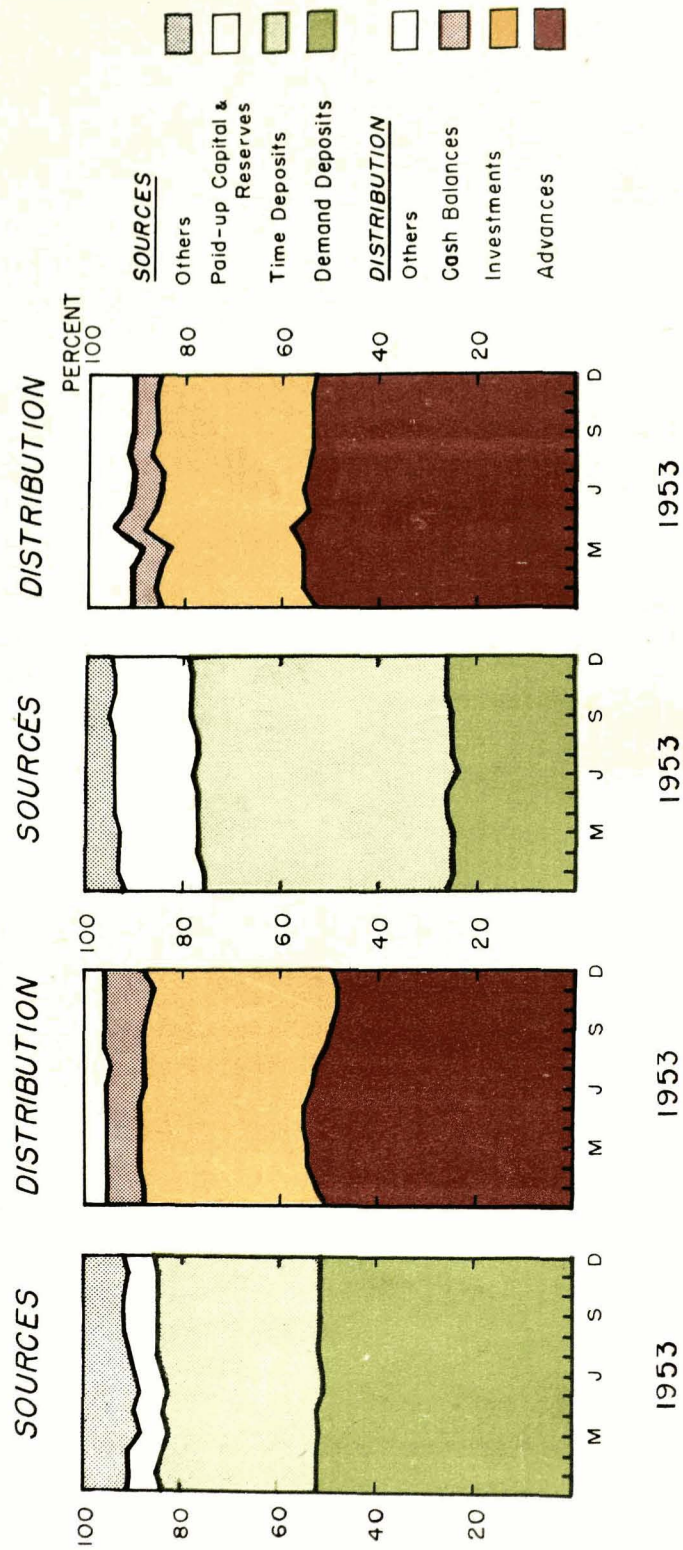
A reference was made in the previous year's Report to the Award of the All-India Industrial Tribunal (Bank Disputes) published on April 20, 1953. Appeals have been filed before the Labour Appellate Tribunal (Special Bench), Bombay, on behalf of the employees and banking companies against certain directions of the Award. Some of the important issues on which the employees have appealed are: the scales of pay, dearness and other allowances, classification of banks into different categories, categories of staff to whom the Award is applicable, policy regarding transfer of staff, etc. Certain banks have also appealed against the Tribunal's direction in regard to forfeiture of gratuity of employees dismissed on account of misconduct, provident funds, recognition of unions, etc. Pending disposal of these appeals, the Labour Appellate Tribunal has stayed the implementation of the entire Award.

Early in 1954, the Government of India filed an application before the Labour Appellate Tribunal under section 13 of the Industrial Disputes (Appellate Tribunal) Act, 1950, for the exclusion, from the scope of the Award, of offices of banks in rural and semi-urban areas having a population of and below 30,000 for a period of two years in the case of existing branches and four years in the case of new ones. The Tribunal held that the application in law was limited only to those employees who were the real parties in the appeals in which the particular issue had been raised which the Central Government had made the basis of its application. As only one bank had raised this issue it was held that at the most only the employees of that bank were affected by the Government's application.

SOURCES AND DISTRIBUTION OF FUNDS

SCHEDULED BANKS

NON-SCHEDULED BANKS



CHAPTER II

STRUCTURE OF ASSETS AND LIABILITIES OF BANKS

The paid-up capital and reserves of Indian scheduled banks showed a decline over the year of Rs. 1.2 crores which can mainly be attributed to a reduction in the number of reporting banks owing to the descheduling of three banks and the liquidation of another. Of this reduction, Rs. 1.1 crores is accounted for by paid-up capital. At the end of 1953, consequently, the paid-up capital and reserves of Indian scheduled banks stood at Rs. 60.1 crores*. Exchange banks' reserves, on the other hand, rose further during the year by Rs. 1.2 crores to Rs. 2.8 crores. The paid-up capital and reserves of non-scheduled banks whose reporting number declined by 10 also showed a slight decline from Rs. 12.9 crores to Rs. 12.4 crores. Their reserves remained almost unchanged but paid-up capital fell by Rs. 40 lakhs. The share of these banks in the total of paid-up capital and reserves of Indian banking companies remained, as in 1952, around 17 per cent. The ratio of paid-up capital and reserves of Indian banks to their deposits fell from 10.5 per cent in 1952 to 10.0 per cent in 1953. The ratio for Indian scheduled banks was 9 per cent and that for non-scheduled banks 21 per cent.

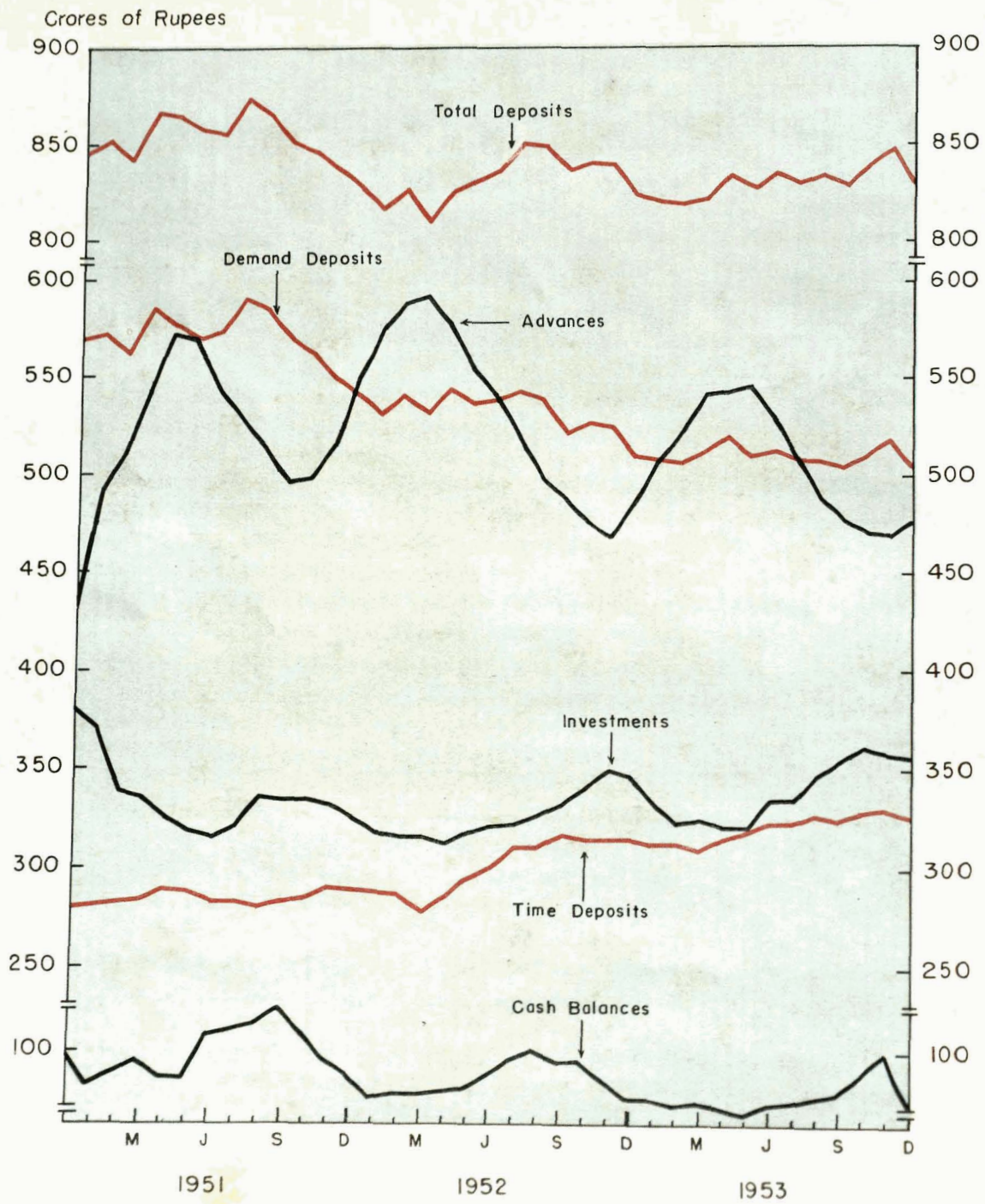
The reserves of Indian scheduled banks now amount to 84 per cent of their paid-up capital as against 82 per cent in 1952. The higher level in 1953, despite the fall in the absolute level of reserves, was due to the relatively larger decline in paid-up capital. In the case of non-scheduled banks, however, the proportion of reserves to paid-up capital remained virtually unchanged at 45-46 per cent. At the end of 1953, 22 scheduled and 68 non-scheduled banks had reserves equal to or in excess of paid-up capital while at the other extreme 1 scheduled and 28 non-scheduled banks had no reserves at all.

It has been pointed out in earlier Reports that the capital and reserves structure of individual banks varies considerably. Paid-up capital, reserves and deposits are concentrated in a few large units. Twenty-five large Indian scheduled banks (the same number as in 1952) each with capital and reserves of Rs. 50 lakhs and over had between them Rs. 51.7 crores of capital and reserves, the corresponding figure for 1952 being Rs. 51.6 crores. The remaining 48 Indian scheduled banks accounted for capital and reserves of Rs. 8.4 crores. Among non-scheduled banks, 3 banks whose paid-up capital and reserves were Rs. 50 lakhs and above, had between them total capital and reserves of Rs. 2.7 crores; 59 others with capital and reserves between Rs. 5 lakhs and Rs. 50 lakhs accounted for Rs. 4.8 crores; the remaining 352 banks with capital and reserves of Rs. 5 lakhs and less shared the balance of Rs. 4.9 crores. Thus the concentration of paid-up capital and reserves, high as it is in the case of scheduled banks, is much more marked in the case of non-scheduled banks. At the end of 1953, taking the Indian scheduled and non-scheduled banks together, 72 per cent of banks or about the same proportion as last year who had capital and reserves of less than Rs. 5 lakhs accounted for only 7 per cent of the total capital and reserves and 3 per cent of total deposits.

* This figure includes the reserves of two banks incorporated in Pakistan amounting to Rs. 1 lakh.

GRAPH 4

PRINCIPAL LIABILITIES AND ASSETS
OF SCHEDULED BANKS



All scheduled banks incorporated outside India complied with the minimum capital requirements under section 11 and maintained the required deposits with the Reserve Bank.

Net deposit liabilities of all scheduled banks increased over the year by Rs. 8.2 crores, demand deposits declining by Rs. 4.4 crores and time deposits increasing by Rs. 12.6 crores, the proportionate share of demand deposits thus showing a fall from about 62 per cent at the end of 1952 to 61 per cent at the end of 1953. Movement in demand deposits showed a declining trend after mid-year but this was arrested in the last quarter. Time deposits, on the other hand, were, barring a few interruptions, generally on the increase from March onwards. Savings deposits, three-fifths of which are in the nature of demand liabilities, were, on the basis of data available from the survey of ownership of deposits as at December 31, 1953, nearly Rs. 139 crores and accounted for about the same proportion (17 per cent) of total deposits as they did last year.

The increase in total deposits was made up of a rise of Rs. 17.1 crores in the deposits with Indian scheduled banks and a fall of Rs. 8.9 crores in those with exchange banks. It is interesting to observe that whereas in 1952 exchange banks' time deposits rose by over Rs. 10 crores the rise in 1953 was no more than Rs. 0.4 crore. On the other hand, Indian scheduled banks increased the time deposits with them at about the same rate as last year, the rise in 1953 amounting to Rs. 12.2 crores as against Rs. 15 crores in 1952. Total deposits of non-scheduled banks, which showed a steep rise in 1952 owing mainly to larger coverage, rose slightly further during the year to Rs. 59.9 crores, despite a fall in the number of reporting banks. As was observed at the end of 1952, the proportion of time to total deposits of non-scheduled banks continued to remain around two-thirds.

The survey of ownership of deposits conducted during the year showed, as indicated in the table below, little variation in the pattern noticed in earlier years.

Deposits of Scheduled Banks, December 1952—December 1953*

(In crores of rupees)

			Business	Personal	Others	Total
Demand	December 1952	224.3	116.1	87.3	427.7
	June 1953	225.4	118.9	87.5	431.8
	December 1953	218.6	113.0	86.0	417.6
Time	December 1952	65.2	135.0	49.8	250.0
	June 1953	65.6	138.4	56.9	260.9
	December 1953	66.9	141.1	58.7	266.7
Savings	December 1952	1.8	131.5	3.4	136.7
	June 1953	1.7	132.7	3.5	137.9
	December 1953	1.9	133.3	3.6	138.8
Total	December 1952	291.3	382.6	140.5	814.4
	June 1953	292.7	390.1	147.9	830.7
	December 1953	287.5	387.3	148.3	823.1

* Relate to 89 banks in December 1952 and 87 and 86 banks, respectively, in June and December 1953.

Cash and Liquidity Ratios Banks are now working on lower cash ratios, the average for scheduled banks for 1953 being 9.2 as against 10.0 for 1952 and 10.8 for 1951. Part of the explanation for this decline is in the increase in the borrowing facilities they now have at the central bank. Average excess balances of scheduled banks with the Reserve Bank have been lower in 1953 than in 1952 when, it would be remembered, the average was lower than in the preceding years. The average cash ratio of non-scheduled banks remained, as in the earlier year, around 7-8.

Defaults in the maintenance of statutory reserves (in terms of section 42(1) of the Reserve Bank of India Act in the case of scheduled banks and section 18 of the Banking Companies Act in the case of non-scheduled banks) were noticed during the year, but they were of a casual nature and the position was soon put right. In the case of a few non-scheduled banks, where the defaults persisted, it was observed that the banks were in a moribund condition and therefore no action was taken. Two non-scheduled banks working under schemes of arrangement were exempted from the provisions of section 18 of the Banking Companies Act in so far as they became applicable to their old funds, while another non-scheduled bank was granted exemption under special circumstances upto April 1954.

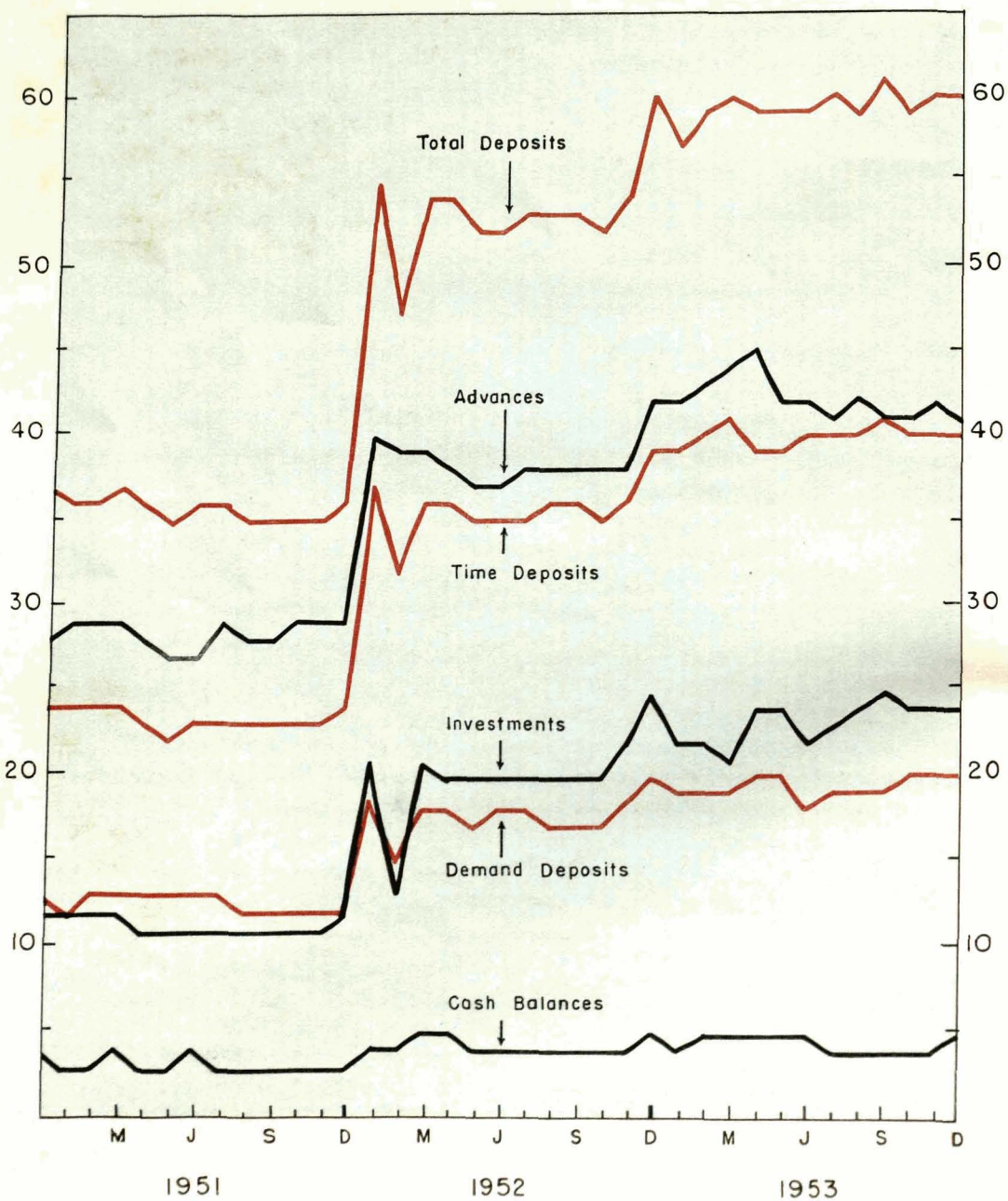
Previous Reports made a mention of the permission given to banks to exclude from the total of demand and time liabilities, for purposes of section 24 of the Banking Companies Act, not only the amounts borrowed from the Reserve Bank as provided for in the Act itself but also borrowings from the Imperial Bank and to treat as unencumbered their approved securities lodged with other banking companies to the extent to which such securities were not utilised for an advance or other credit arrangement. The exemption was to expire on June 8, 1953, but in terms of a notification dated May 20, the exemption was extended for a further period of one year from June 9, 1953. Further, by another notification banks incorporated in and confining their activities to the State of Travancore-Cochin were exempted until April 1, 1954, from the provisions of section 24(1) of the Act in so far as such provisions require them to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount in excess of 10 per cent of the total of their demand and time liabilities.

Investments In the first four months of the year, which witnessed the continuation of the 1952-53 busy season, scheduled bank investments in Government securities declined by Rs. 22.2 crores as compared with the decline of Rs. 12.1 crores in the corresponding period of 1952. The liquidation of investments in Government securities in 1953 is not strictly comparable with that in earlier years as it does not represent so much the sales of securities in the market but the reduction in the holdings of Treasury bills by scheduled banks in the busy season. In the slack season, scheduled banks increased their gilt-edged portfolio considerably, the increase between May and September amounting to Rs. 32.8 crores. This increase was made up not only of larger holdings of Treasury bills but also reflects the participation by banks in market issues of loans, both of the Centre and of the States.

GRAPH 5

PRINCIPAL LIABILITIES AND ASSETS
OF NON-SCHEDULED BANKS

Crores of Rupees



The proportion of the total investments of banks to deposits as at the end of the year, however, remained at about the same level as a year before. The increase in investments in Government securities of all scheduled banks, which over the whole year, amounted to Rs. 11.5 crores, was mainly accounted for by Indian scheduled banks which increased their portfolio by Rs. 8.9 crores. In the corresponding period non-scheduled bank investments in Government securities declined by Rs. 50 lakhs, while their other investments rose by Rs. 30 lakhs.

The distribution pattern of scheduled bank investments in December 1953 remained much the same as at the end of the previous year, investments in Government securities accounting for 86.4 per cent of total investments as against 86.1 per cent in December 1952. Investments in other trustee securities increased slightly, while those in fixed deposits showed a small decline. Scheduled banks' holdings of other investments did not vary greatly. A sizable portion of foreign investments was mainly in Pakistan and to a lesser extent in the U.K.

Investments of Scheduled Banks, December 1952—December 1953*

					(In crores of rupees)		
					December 1952	June 1953	December 1953
1.	Government securities:	327.0	321.1	337.7
	of which						
	(i) Central Government	292.2	289.0	300.5
	(ii) State Governments	34.6	31.8	36.9
	(iii) Others—mainly postal	0.3	0.3	0.3
2.	Other domestic investments	28.5	27.9	29.2
3.	Foreign investments	24.2	21.7	24.0
	Total	379.7	370.6	390.9

* Relate to 88 banks in December 1952 and 86 and 87 banks, respectively, in June and December 1953.

The maturity pattern of banks' gilt-edged portfolio shows, however, marked changes. Investments in Treasury bills declined sharply by about Rs. 8 crores during the year either through maturity or rediscounting. Securities maturing in 5 to 10 years, on the other hand, rose from Rs. 140.3 crores to Rs. 161.7 crores, due to some loans falling into this group, while those maturing within 5 years fell from Rs. 109.3 crores to Rs. 102.5 crores. The ratio of investments in Government securities maturing within 10 years (excluding Treasury bills) to total investments stood at 78.2 per cent.

The maturity distribution of non-scheduled banks' investments in Government securities showed slight changes from the previous year; the proportions of long-dated and short-dated loans declined from 27.1 per cent to 15.6 per cent and 16.0 per cent to 14.5 per cent, respectively, while those of medium-shorts and medium-longs increased correspondingly.

In 1953, the credit demands from trade and industry were moderate in size.

Over the year, advances of scheduled banks declined by Rs. 10 crores. In the first five months of the year, advances rose by Rs. 60 crores, but in the subsequent seven months they declined by Rs. 70 crores. The return of funds to the banking system in the slack season of 1953 was, as in the previous year, larger than the increase in credit in the busy season that preceded it. With the beginning of the 1953-54 busy season, advances picked up again and in December 1953 stood at Rs. 476.6 crores as against Rs. 486.2 crores in December 1952 and Rs. 552.4 crores in December 1951. Indian scheduled banks accounted for nearly two-thirds of total advances of all banks, the share of exchange banks being about a fourth and that of non-scheduled banks about one-twelfth. Many non-scheduled banks (184 out of 415 reporting at the end of December 1953) had advances higher than their deposits, the ratio in the case of another 153 banks ranging between 71 and 100 per cent. It may, however, be pointed out that the overextended position of these non-scheduled banks showed some improvement over the year and as against 83 per cent (350 banks) of the banks in December 1952 with advances amounting to over 70 per cent of their deposits, in December 1953, 81 per cent (337 banks) of such banks had advances as high as this.

The distribution of advances of scheduled banks at the end of the year, as indicated in the quarterly surveys of advances, does not disclose any significant changes from corresponding figures in previous years. Industry continues to account for over a third and commerce for somewhat below a half. Production credit to agriculture remains at a low figure of Rs. 12 crores, while advances for professional and personal requirements remain generally around the previous year's levels. In the busy season between September 1952 and March 1953, the expansion in scheduled bank credit was solely accounted for by Indian banks, exchange banks' advances declining in this period. In the result, the share of Indian scheduled banks in the total advances rose in March 1953 to 72 per cent from 68 per cent in September 1952. In December 1953 their share stood at 72 per cent compared to exchange banks' share at 28 per cent. Indian banks continue to be the main purveyors of credit to industry, their share in the total increase in industrial credit between September 1952 and March 1953 amounting to no less than Rs. 18 crores out of a total of Rs. 21 crores. Exchange banks made their funds available mainly to the commercial sector, accounting for nearly 33 per cent of the total credit extension in March 1953 to that sector of Rs. 276 crores. It is interesting to record that scheduled bank advances against foodgrains showed a sharp rise between September 1952 and June 1953 from Rs. 11 crores to Rs. 25 crores—a development which has to be related to the resumption of private trading in foodgrains in many areas.

Data relating to profit and loss accounts of 18 larger Indian scheduled banks (those with deposits of not less than Rs. 5 crores) reflect the impact on individual bank's operations of the general banking situation. Gross earnings of these banks in 1953 at Rs. 28.6 crores were Rs. 0.3 crore higher than in 1952; the increase in gross

earnings was due to a rise of Rs. 0.7 crore in interest and discount earned which amounted in 1953 to Rs. 22.2 crores; other earnings, however, declined by Rs. 0.4 crore. The increase in gross earnings, however, amounted to only half of the increase in total expenses which went up by Rs. 0.6 crore to Rs. 23.7 crores; a rise in interest paid on deposits of Rs. 0.4 crore and a further increase in establishment expenses of Rs. 0.2 crore accounted for this development. Net profits consequently declined for the second year in succession to Rs. 4.9 crores from Rs. 5.2 crores in 1952 and Rs. 5.4 crores in 1951.

Earnings and Expenses of Eighteen Larger Indian Scheduled Banks

		1952	1953	1952	1953
		(Rs. Crores)		(as percentage of gross earnings)	
1.	<i>Gross Earnings</i>	28.3	28.6	—	—
	(i) Interest and discount earned	21.5	22.2	76	78
	(ii) Other earnings	6.8	6.4	24	22
2.	<i>Total Expenses</i>	23.1	23.7	82	83
	(i) Interest paid on deposits	7.4	7.8	26	27
	(ii) Establishment expenses	11.7	11.9	41	42
	(iii) Other expenses	4.0	4.0	14	14
3.	<i>Net Profits</i>	5.2	4.9	18	17

CHAPTER III

SUPERVISION AND CONTROL OF BANKING

The Reserve Bank of India (Amendment and Miscellaneous Provisions) Bill, 1952, which was introduced in the House of the People on November 21, 1952, was passed by both the Houses of Parliament in their November-December sessions and received the President's assent on December 30, 1953. The Act (which is reproduced at the end of this Report) is designed to enlarge the scope of financial accommodation by the Reserve Bank for productive purposes and also to enable the Reserve Bank to reintroduce high denomination notes. *Inter alia*, the Act seeks to:

- (i) widen the scope of the terms 'agricultural operations', 'crops' and 'marketing of crops' as used in section 17(2)(b) of the Reserve Bank of India Act,
- (ii) provide for accommodation to State co-operative banks and State financial corporations for financing (upto a period of 12 months) the production or marketing activities of approved cottage and small-scale industries, provided that the payment of the principal and interest is guaranteed fully by the State Government,
- (iii) provide for loans and advances to State co-operative banks for agricultural purposes repayable on the expiry of fixed periods not less than fifteen months and not exceeding five years against such securities as may be specified provided such loans are fully guaranteed as to principal and interest by the State Government and further that they do not exceed the owned funds of the bank and that further the amount granted in this manner does not exceed Rs. 5 crores in the aggregate at any time,
- (iv) enable the Reserve Bank to give short-term credit facilities to the Industrial Finance Corporation of India, and
- (v) place on a permanent footing the exemption granted to scheduled banks in April 1952 from including their borrowings from the Imperial Bank of India in computing their demand and time liabilities in India for purposes of section 42 of the Reserve Bank of India Act.

Following the promulgation of the Demonetisation Ordinance, 1946, high denomination notes were withdrawn from circulation. It is now proposed to reintroduce notes of the denominational value of Rs. 500, Rs. 1,000 and Rs. 10,000 but no such note issued before January 13, 1946, is to be legal tender in India. Provision has also been made in the Act for the issue of notes of the denomination of Rs. 5,000.

A mention was made in the previous Report of the recommendations made to the Government of India by the Banks' Liquidation Proceedings Committee. As Government considered it necessary to take immediate action for implementing

the recommendations of the Committee which called for legislative action, an Ordinance was promulgated in October 1953. This Ordinance has since been replaced by the Banking Companies (Amendment) Act which received the assent of the President on December 30, 1953. The important features of the amending Act (which is reproduced at the end of the Report) are:

- (i) the jurisdiction of the High Court has been extended with a view to avoiding multiplicity of Courts to which the liquidator of a banking company has to follow his debtors,
- (ii) a summary procedure has been laid down for the realisation of the outstanding debts of a banking company with a view to obviating multiplicity of proceedings, one of the chief causes for delay and expenses of liquidation,
- (iii) provision has been made for expeditious enforcement of the liability of the directors by providing for the compulsory public examination of their conduct in relation to the affairs of the banking company,
- (iv) the High Court is empowered to prohibit any director of a banking company who has been found not to be fit to be a director from being a director of any company for a period not exceeding five years,
- (v) a special period of limitation has been laid down in respect of the claims of a banking company against its directors,
- (vi) special provision has been made that in all proceedings under section 235 of the Indian Companies Act, 1913, against any promoter, director, manager, liquidator or officer of a banking company for repayment or restoration of any money or property once a *prima facie* case is made against any of them by the liquidator, the High Court shall make an order against such person to repay and restore the money or property unless he proves that he is not so liable,
- (vii) a simple mode of proving entries in the books of accounts of banking companies has been prescribed,
- (viii) the Central Government has been empowered to appoint court liquidators in the High Courts who will be in charge of the liquidation of all banking companies ordered to be wound up, unless the High Court otherwise directs, in consultation with the court liquidator and the Reserve Bank. The Central Government is, however, empowered to exempt any particular High Court/s from the operation of these provisions,
- (ix) provisions have been made enabling the Court to exercise control over banking companies working under schemes of arrangement and to make available the summary procedure for realisation of debts prescribed for banking companies in liquidation to such of the banks as have been working under a scheme at the commencement of the Act,

(x) the Reserve Bank has been empowered to inspect banking companies which are being wound up or are working under schemes of arrangement but prohibited from accepting fresh deposits, if so directed by the Central Government or the High Court, and also to call for returns and information from them, and

(xi) provision has been made for expediting execution of orders and decrees passed against debtors of banking companies.

The policy of systematic periodical inspections of banking companies irrespective of their size and standing, has been an important aspect of the Reserve Bank's supervisory activities. In pursuance of this, 154 banks were inspected during 1953: 14 of them were scheduled banks. The purposes for which the banks were inspected are indicated in the following table:—

Bank Inspections			
Purpose	Scheduled banks	Non-scheduled banks	Total
1. Granting licence for carrying on banking business ..	3	84	87
2. General purpose*	11	47	58
3. Issuing certificate in respect of scheme of arrangement ..	—	1	1
4. Sanctioning scheme of amalgamation	—	—	—
5. Inclusion in the Second Schedule	—	2	2
6. Report to the Court on the affairs of the banking company ..	—	5	5
7. Issuing of certificates as to whether banks are unable to pay their debts	—	1	1
Total	14	140	154

* Some banks were inspected for more than one purpose.

The inspections for general purposes totalling 58, although carried out under the provisions of section 35, were also intended for ascertaining the eligibility of banking companies for licences in terms of section 22 of the Act.

Since March 1950 when inspections were commenced, 514 inspections have been carried out for various purposes, and the first round of inspections of scheduled banks and of practically all the reporting non-scheduled banks (excluding 112 banks incorporated in Travancore-Cochin) has thus been completed. An office of the Department of Banking Operations which conducts these inspections was opened at Trivandrum on January 2, 1954, with a view to maintaining closer contact with banks in Travancore-Cochin and to speed up their inspection. Eleven scheduled banks and 42 non-scheduled banks which had been previously inspected were inspected again during the year for the purpose of reviewing their financial position and evaluating the progress made by them in improving their methods of business. These re-inspections were generally carried out under section 35 of the Banking Companies Act.

The system of inspections has proved useful in providing the Reserve Bank with the opportunity of looking much closer into the affairs of the banks concerned. At the end of 1953, 20 banks were submitting monthly progress reports and 289 banks quarterly reports to the Reserve Bank. In cases where defects noticed in the working of banks were pointed out to them for rectification, progress in varying degrees has been achieved by most of them in putting right their affairs.

No new applications were received during the year for issue of licences under section 22 of the Act to carry on banking business. However,

Issue of Licences three banks applied for licences to commence banking business.

From among the applications under consideration licences under the above section were issued to 7 scheduled banks, 1 non-scheduled bank and 1 foreign bank. The total number of licences issued since the commencement of the Act now stands at 34. Four non-scheduled banks were refused licences as their affairs were being conducted in a manner detrimental to the interests of their depositors.

The Reserve Bank has encouraged amalgamations of banking companies if they are in the depositors' interest and lead to the establishment of a sounder institution though the initiative for amalgamation has to come from the banking companies themselves.

Amalgamations During 1953, a few proposals for amalgamations of banking companies and for the transfer of certain assets and liabilities of some banking companies to others were received by the Reserve Bank. One proposal for amalgamation appeared to be *prima facie* desirable and the banks concerned were advised to draw up an agreed scheme of amalgamation and to approach the Bank thereafter. Another proposal for amalgamation was, however, not considered desirable, and the banks concerned were advised to consider the feasibility of arriving at an agreement whereby the liabilities and certain agreed assets of one of them could be transferred to the other. In the course of 1953, two banks in which the Hyderabad State Government had a financial interest came to an agreement as mentioned earlier* whereby the liabilities and certain agreed assets of one of them, the Mercantile Bank of Hyderabad, were taken over by the other, the Hyderabad State Bank. Similarly, the Canara Industrial and Banking Syndicate, the Maharashtra Apex Bank and the Southern India Apex Bank agreed among themselves to transfer the liabilities and certain assets of the latter two banks to the first-mentioned bank. Both these proposals for the transfer of liabilities and agreed assets were examined by the Reserve Bank though they did not fall within the purview of section 44(A) of the Banking Companies Act.

Six non-scheduled banks applied to the Reserve Bank during the course of the year for certificates in respect of schemes of arrangement proposed by them. Certificates were issued in respect of the schemes of two of them and these were subsequently sanctioned by the Courts. Three other banks were advised that their schemes were not eligible for the issue of a certificate; one of these was subsequently ordered to be wound

* *Vide* pages 9 and 10.

up. As the scheme proposed by another bank was not approved by its shareholders and creditors, the question of issue of a certificate was not considered.

During the year, five banking companies went into voluntary liquidation, one of them being a scheduled bank; in the case of the scheduled bank, the step was taken as a result of the transfer of its business to another scheduled bank. Two each were in the Madras and Bombay areas while the fifth was in the Trivandrum area. As no licence under section 22 had been issued to any of them, they were not required to obtain a certificate from the Reserve Bank under section 44 of the Banking Companies Act before going into liquidation. Fourteen banks were ordered to be wound up by the Court. Of these, four each were in the Calcutta, Madras and Bombay areas while two others were in the Delhi area.

During the year, five non-scheduled banks suspended payment and applied to the Court for the grant of a moratorium under section 37 of the Banking Companies Act. The Reserve Bank reported on their affairs as required under section 37(2) of the Act to the respective High Courts indicating that the banks would be unable to pay their dues even if a moratorium for the maximum period of six months was granted. Three of these banks were ordered to be wound up subsequently while one applied to the Court for the sanction of a scheme of arrangement which, however, was rejected by the Court as it was considered ineligible for the issue of a certificate under section 45 of the Act. A petition for the winding up of another bank in moratorium was presented by two of its creditors and the case was under consideration by the Reserve Bank with regard to the grant of a certificate under section 38(3) of the Act.

It may be recalled that at the end of 1952 cases of 28 companies were pending under the provisions of section 5(1)(b) and (c) relating to the classification of companies into banking and non-banking companies. In the course of 1953, 27 more cases were reported. Three companies have since been classified as banking companies; 15 others have either been classified as non-banking companies or gone into liquidation or been struck off from the Register of Companies under section 247 of the Indian Companies Act. At the end of the year, there were 37 companies taking suitable action or whose cases were under consideration. Since the coming into effect of the Banking Companies Act, 189 companies have either been declared non-banking companies or have gone into liquidation or been struck off from the Register maintained by the Registrar of Companies, out of a total of 235 cases which were reported.

To the 42 banking companies which at the end of last year were taking suitable action so as to comply with the requirements of section 7 of the Act regarding the use of the word 'bank', 'banker' or 'banking' as part of the name of the banking company, two more cases came up for consideration during the year. Of these 44 cases, one company added to its name the word 'bank' while 12 companies either deleted the said words from their names or went into liquidation or were

struck off from the Register maintained by the Registrar of Companies. The remaining 31 cases were pending at the year-end.

There were 11 fresh cases of companies contravening sections 10(1)(c)(i) and/or (ii) relating to restrictions on certain forms of employment such as managing agents, etc. It may be recalled that at the end of last year the cases of 16 companies were under consideration. Out of these 27 cases, 6 companies regularised their positions or were exempted, one was wound up by the Court, another was refused a licence to carry on banking business in India and 19 others were either taking steps to regularise their positions or their position was under consideration by the Bank. It may be recalled that last year's Report mentioned that 11 displaced banks have been exempted from the provisions of these sections upto September 15, 1955.

Banking companies incorporated in and confining their activities to Part B States were exempted from the provisions of sections 12 and 24 of the Act upto April 1, 1953. The attention of these banks was drawn to the provisions of the two sections in February 1953. They were asked to take necessary steps to comply with the requirements of section 12(i) and (ii) relating to their capital structure and as regards section 12(iii) and (iv) which relates to voting rights of shareholders, they were advised that while it was not obligatory on the part of banking companies to amend the clauses in their Articles of Association, which conflicted with the statutory provisions, if in practice it was found that contravention had occurred penalties under the Act would become applicable. In addition to the 8 banking companies which were taking suitable action to comply with the provisions of sub-sections (i) and (ii) of section 12 of the Act at the end of 1952, 26 more banks were found to contravene the provisions during the year under review. Of these, one was ordered to be wound up, another went into voluntary liquidation, 13 others either regularised their positions or were exempted while the remaining 19 banks were taking suitable action.

Two banks were found to have declared dividends before writing off completely their capitalised expenses. This was in contravention of section 15, and was brought to the notice of the banks who were asked to observe the mandatory provisions in this regard.

In addition to the 9 banking companies referred to in the previous year's Report, whose cases were either under consideration or who were taking remedial action with regard to the contravention of section 16 which prohibits interlocking of directorates, the case of one more bank came to notice during the year. Two out of these 10 banks regularised their positions by the year-end, a third was ordered to be wound up by the Court and the remaining banks were taking suitable steps to comply with the provisions of the law. It may be recalled in this connection that 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 for a further period of three years, i.e., upto September 15, 1955.

Thirty-three banking companies contravened the provisions of section 17 relating to the transfer of 20 per cent of the net profits to the reserve fund. They proposed to make up the deficiency from the surplus funds during the year or from next year's profits. It was mentioned in the last two Reports that all banking companies were exempted for 1951 and 1952 from the provisions of section 17 of the Banking Companies Act in so far as that section had the effect of preventing appropriation from the reserve fund maintained in terms of that section for the purpose of writing off the amounts of losses on investments in Government securities before declaring a dividend out of their profits; a similar exemption has been granted to banking companies for 1953 also.

A few cases of banking companies contravening the provision of section 19(2) relating to restrictions on the holding of shares of companies were detected in the course of inspections. These contraventions were brought to the notice of the banks concerned who regularised their positions without delay. Two banks, however, advised the Reserve Bank that they were holding the shares of certain companies in excess of the limit prescribed under this sub-section and applied for exemption from its provisions. On the recommendations of the Reserve Bank, Government exempted the banks upto specified periods with regard to their holding of the shares in the companies concerned. A similar exemption granted to another bank was extended by one year, but the bank regularised its position during the year.

Under a notification issued by the Government of India, all banking companies have been exempted until January 1, 1956, from the provisions of note (f) in respect of the disclosure of the market value of their investments in Government securities provided that when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the property and assets side of the balance-sheet exceeds the market value of the investments under that sub-head, they show separately within brackets the market value of the securities under that sub-head.

A number of banking companies were allowed time in excess of the three months allowed by law to submit their balance-sheets (section 31), while some smaller banking companies in whose cases it appeared that the cost of publication of the balance sheet in newspapers would be disproportionate to their resources were exempted from the provisions relating to publication of balance-sheet.

CHAPTER IV

CONCLUSIONS

The role of the banking system in the context of its responsibilities in the Five-Year Plan has to be related not merely to measures designed to increasing its resources but to a more effective use of them. There is reason to believe that the working capital requirements of organised industry are being met at present in fair measure. For some time past, the problem of providing adequate funds to the private sector, with special regard to the scope of assistance which banks might render, has been engaging the attention of the authorities and in the course of the year under review, the Reserve Bank, in consultation with the Government of India, appointed a Committee under the chairmanship of Shri A. D. Shroff to go into the question. The report of the Committee which has completed its investigations is now being drafted and is scheduled for early release. The problem relating to the provision of long-term and medium-term finance to industry has to be viewed against the background of improved conditions in the capital market. In 1953 capital market activity was higher as evidenced in the successful Government loan issues and increasing signs of private borrowing. Negotiations are also in progress for the setting up of an Industrial Development and Finance Corporation with the assistance of the I.B.R.D. and it is expected that this institution by supplementing the Industrial Finance Corporation of India and the various State Financial Corporations will fill an important gap in the Indian capital market.

In addition to enlarging the scope of bank aid to private industry and trade, the development of banking facilities over a larger area invites careful attention. The All-India Rural Credit Survey Report which is now nearing completion will throw considerable light on the position relating to the supply and demand for credit in the rural areas. Steps are also being taken to implement the recommendations of the Rural Banking Enquiry Committee. At the same time, while co-operative banks continue to receive the assistance of the Reserve Bank in many ways, efforts are being made to increase the facilities provided by them and to establish apex banks in such States where they do not exist. With a view to establishing closer contacts with the co-operative credit movement in various States the Bank has instituted a system of voluntary inspections; these inspections, which are complementary to those conducted by the Registrar of Co-operative Societies in the various States, are concerned among other things with the financial position, policies and practices of the co-operative banks, and suggestions are made, where necessary, in respect of their working.

An aspect of recent banking development which needs to be mentioned here is the trend in deposit rates in this country. With the rise in the Bank rate in the U.K. in March 1952, there was increasing evidence that exchange banks which had hitherto relied in some measure on borrowing in London, were seeking resources in the local market by raising their deposit rates and increasing their savings bank business. This led to an increase in rates offered by the major Indian

banks also and despite the subsequent reduction of the Bank rate in the U.K. the competition for deposits still appears to be keen. The Reserve Bank has had the situation under observation and it is hoped that leading banks will agree amongst themselves on the question of fixing ceilings on certain types of deposit rates.

In conclusion, a word may be said about the investments of banks. These in the case of scheduled banks now largely consist of short-dated and medium-dated securities. Although this development is satisfactory, the component of Treasury bills is still negligible. Next to cash and balances with banks Treasury bills rank as a highly liquid asset which also yields an adequate return and can be converted into cash almost instantaneously. For this reason they occupy an important place in the investment portfolio of commercial banks in the West. The liberal discount facilities given by the Reserve Bank and their current yield entitle them to more liberal support from the leading banks.

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)	13, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26 and 29 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									
		Capital and re- serves	Notes in cir- culation	Deposits				Other liabili- ties	Total liabili- ties or assets
				Central Govt.	Other Govts.	Banks	Others		
		1	2	3	4	5	6	7	9
Average of Fridays									
1949	10.0	1,137.7	152.8	20.3	67.4	65.5	306.1	1,493.5
1950	10.0	1,145.0	144.9	21.1	63.0	61.5	290.6	1,481.6
1951	10.0	1,205.7	173.4	16.2	60.5	68.6	318.7	1,577.1
1952	10.0	1,122.6	146.0	9.4	53.2	63.0	271.5	1,455.7
1953	10.0	1,121.8	121.0	18.7	47.5	59.7	246.9	1,427.6
1953-Friday									
January	2..	10.0	1,099.3	176.1	3.5	47.8	61.2	288.7	1,437.4
	9..	10.0	1,116.6	173.7	1.5	43.2	62.7	281.1	1,448.9
	16..	10.0	1,115.3	170.2	2.4	47.0	63.1	282.7	1,452.1
	23..	10.0	1,110.2	164.0	7.1	46.0	64.0	281.2	1,450.2
	30..	10.0	1,106.4	163.1	12.7	45.1	63.9	284.8	1,452.6
February	6..	10.0	1,123.9	157.5	6.7	41.7	65.1	271.0	1,448.4
	13..	10.0	1,129.2	157.4	1.0	45.4	65.0	268.9	1,447.5
	20..	10.0	1,121.4	153.1	5.1	45.5	64.4	268.1	1,450.4
	27..	10.0	1,119.8	150.0	11.4	43.2	64.4	269.0	1,449.3
March	6..	10.0	1,136.1	139.7	10.5	43.5	65.0	258.7	1,448.7
	13..	10.0	1,138.0	147.5	1.4	43.4	63.7	256.0	1,446.8
	20..	10.0	1,133.0	122.5	29.1	43.1	63.6	258.3	1,451.1
	27..	10.0	1,133.1	135.8	19.9	46.5	62.8	264.9	1,455.8
April	3..	10.0	1,149.7	87.3	39.4	52.2	63.7	242.6	1,446.0
	10..	10.0	1,166.2	98.4	21.7	42.7	61.6	224.3	1,441.5
	17..	10.0	1,165.5	98.0	17.0	45.1	60.5	220.5	1,438.7
	24..	10.0	1,159.8	104.1	15.6	43.1	59.0	221.8	1,441.1
May	1..	10.0	1,164.6	102.1	19.7	42.3	58.5	222.6	1,445.4
	8..	10.0	1,179.8	98.6	15.6	39.9	57.4	211.5	1,451.0
	15..	10.0	1,174.5	100.7	14.3	42.4	57.7	215.1	1,455.2
	22..	10.0	1,166.4	100.8	15.7	41.6	56.4	214.5	1,453.8
	29..	10.0	1,158.9	103.5	16.9	42.7	57.1	220.2	1,460.2
June	5..	10.0	1,169.6	94.1	16.7	42.8	56.9	210.5	1,448.9
	12..	10.0	1,167.5	122.1	12.5	41.9	56.8	233.3	1,473.3
	19..	10.0	1,154.4	130.8	13.3	42.3	56.8	243.2	1,488.0
	26..	10.0	1,138.1	130.4	16.8	43.0	57.2	247.5	1,471.2
July	3..	10.0	1,141.6	116.1	16.2	40.3	56.6	229.2	1,432.9
	10..	10.0	1,136.3	112.9	13.0	42.9	57.3	226.2	1,429.4
	17..	10.0	1,119.9	93.1	29.4	43.2	63.4	229.1	1,414.4
	24..	10.0	1,103.2	92.7	38.8	53.1	62.0	246.6	1,416.5
	31..	10.0	1,094.1	108.3	36.0	47.0	63.9	255.2	1,426.1
August	7..	10.0	1,107.1	103.8	27.1	46.7	62.4	240.0	1,411.6
	14..	10.0	1,101.0	114.7	18.5	42.7	61.9	237.6	1,401.5
	21..	10.0	1,093.2	129.4	21.1	45.8	57.2	253.5	1,407.1
	28..	10.0	1,082.9	134.2	24.3	48.5	57.8	264.8	1,403.1
September	4..	10.0	1,091.5	127.6	20.2	50.8	57.3	255.9	1,394.5
	11..	10.0	1,093.2	127.8	19.8	49.3	57.2	254.1	1,393.5
	18..	10.0	1,081.6	137.2	17.3	48.8	57.3	260.6	1,399.9
	25..	10.0	1,071.5	136.8	21.3	52.5	57.0	267.7	1,407.5
October	2..	10.0	1,073.3	125.0	29.3	55.6	56.8	266.7	1,408.2
	9..	10.0	1,090.6	127.6	15.8	48.2	57.6	249.2	1,391.5
	16..	10.0	1,091.4	113.5	25.9	51.2	57.1	247.7	1,390.5
	23..	10.0	1,084.2	108.0	29.8	57.7	57.8	253.3	1,397.1
	30..	10.0	1,077.8	108.9	30.5	60.6	57.4	257.4	1,402.9
November	6..	10.0	1,108.8	100.2	30.0	47.1	57.6	234.9	1,387.5
	13..	10.0	1,109.2	101.3	27.1	49.5	57.3	235.2	1,388.8
	20..	10.0	1,101.1	94.8	30.2	62.1	56.8	243.8	1,397.6
	27..	10.0	1,096.9	98.1	24.4	69.8	56.9	249.2	1,404.7
December	4..	10.0	1,114.4	90.4	22.2	60.8	58.1	231.5	1,386.7
	11..	10.0	1,123.2	92.2	19.3	55.8	57.5	224.8	1,390.8
	18..	10.0	1,121.2	106.1	19.0	48.7	57.2	231.0	1,397.6
	25..	10.0	1,125.5	110.2	18.8	46.0	56.9	232.0	1,398.3

Note :—Figures are net of adjustments on account of (i) transfer of liabilities to the State
 liquidation of India notes returned from circulation in Pakistan under section 4(2) of Part
 from October 1951 are net of adjustments made in respect of India notes returned

MENT I

31

THE RESERVE BANK OF INDIA

Departments combined)

(In crores of rupees)

ASSETS								
Gold coin and bul- lion@	Foreign assets	Rupee coin*	Notes	Rupee securities	Loans & advances to		Bills purchased and dis- counted	Other assets
10	11	12	13	14	Govern- ments 15	Others 16	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	710.8	84.8	13.6	549.5	3.3	19.5	9.2	6.7
40.0	714.6	83.7	15.2	549.4	4.0	16.9	18.3	6.7
40.0	717.4	83.6	16.3	549.3	4.5	14.1	20.0	6.8
40.0	715.7	83.7	21.6	549.9	3.6	13.6	15.3	6.8
40.0	718.1	84.0	25.7	550.2	3.4	12.7	11.6	7.0
40.0	719.6	82.8	17.0	550.1	3.5	15.0	13.3	7.2
40.0	720.2	82.4	11.1	550.0	4.5	15.6	16.6	7.2
40.0	721.7	82.7	19.2	550.0	3.4	12.3	13.8	7.3
40.0	720.4	82.8	20.9	550.1	3.3	12.3	12.0	7.5
40.0	724.4	81.5	13.3	550.2	3.3	17.5	10.8	7.6
40.0	725.0	81.4	11.3	550.1	3.6	18.4	9.5	7.6
40.0	724.8	81.8	16.7	546.0	3.5	22.9	7.7	7.7
40.0	723.7	82.3	17.0	546.0	3.3	26.9	8.8	7.7
40.0	726.6	86.6	9.9	536.2	3.6	25.4	9.7	8.0
40.0	725.8	86.6	8.2	536.2	3.8	23.3	9.5	8.0
40.0	722.1	86.9	9.4	536.2	4.1	20.6	11.3	8.0
40.0	716.4	87.8	15.9	536.2	4.0	19.9	12.7	8.1
40.0	719.8	87.6	11.0	536.2	3.8	26.1	12.6	8.3
40.0	718.8	86.7	9.8	536.2	4.2	33.8	13.1	8.3
40.0	719.5	86.8	15.2	537.1	3.8	31.1	13.3	8.4
40.0	715.1	87.3	23.8	537.1	3.3	25.5	13.3	8.4
40.0	710.8	87.8	31.8	538.0	3.3	25.6	14.0	8.7
40.0	711.6	87.0	20.3	538.8	3.3	23.6	15.5	8.7
40.0	715.0	87.0	22.5	539.6	3.7	37.8	18.7	8.9
40.0	715.2	90.9	39.4	539.6	3.3	32.5	17.8	9.1
40.0	713.2	91.7	36.5	540.5	3.4	22.3	14.3	9.3
40.0	711.6	91.5	32.8	519.7	3.5	14.3	12.7	6.9
40.0	709.5	90.9	37.5	520.5	3.5	11.0	9.5	6.9
40.0	707.0	91.2	34.3	512.6	3.9	10.4	8.2	6.7
40.0	705.7	92.1	36.8	512.6	3.3	11.3	7.9	6.8
40.0	703.9	92.6	46.3	513.8	2.5	11.8	8.1	7.0
40.0	702.3	92.0	32.9	515.1	3.3	13.1	6.9	6.1
40.0	700.7	92.6	29.5	514.1	1.3	11.4	5.7	6.1
40.0	699.1	93.4	38.1	513.6	0.2	10.9	5.7	6.1
40.0	699.4	94.4	34.4	512.6	0.4	10.7	4.8	6.3
40.0	700.6	94.0	25.4	512.7	0.3	11.4	4.0	6.1
40.0	702.8	94.5	24.2	511.1	—	11.3	3.4	6.2
40.0	702.7	95.6	33.3	508.0	—	11.6	2.4	6.3
40.0	699.0	96.7	44.6	507.8	—	11.5	1.7	6.2
40.0	700.7	97.0	43.1	507.5	—	11.9	1.5	6.4
40.0	702.7	96.2	25.0	507.6	0.2	11.5	1.7	6.4
40.0	702.3	96.5	24.5	506.8	—	11.4	2.4	6.5
40.0	701.9	97.2	32.4	506.0	—	10.7	2.3	6.6
40.0	700.3	98.1	39.7	505.6	0.1	10.7	1.6	6.8
40.0	705.4	96.3	16.9	505.3	0.4	12.9	3.5	6.8
40.0	711.0	96.2	16.3	503.7	0.3	11.2	3.2	6.8
40.0	710.8	97.0	25.3	502.6	0.9	10.8	3.2	7.0
40.0	709.7	97.7	30.2	502.5	1.4	11.0	5.0	7.1
40.0	713.0	96.7	11.7	500.5	1.4	10.9	5.4	7.2
40.0	715.3	96.3	12.4	497.1	2.5	11.1	9.0	7.2
40.0	719.4	96.5	14.6	496.1	1.5	12.6	9.6	7.3
40.0	722.6	96.6	10.4	496.1	1.8	11.8	11.4	7.6

Bank of Pakistan in respect of inscribed Pakistan notes issued during 1948 and (ii) cancel-
IV of the Pakistan (Monetary System and Reserve Bank) Order, 1947 as amended. Figures
from circulation in Aden.

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

* 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
1	2	3		4		5		6	7
1945	27	—		—		—		1,75	—
1946	91	—		2		2		24,70	30
1947	80	—		2		2		3,08	—
1948	153	—		4		4		21,26	1,17
1949	401	—		1,21		1,21		34,76	5,73
1950	478	—		2,14		2,14		13,41	2,30
1951	570	—		1,49		1,49		76,57	5,29
1952	1544	—		97		97		164,25	3,59
1953	2683	—		31		31		129,58	6,46
1953 (Monthly)									
January ..	211	—		—		—		10,43	20
February ..	170	—		—		—		10,51	31
March	290	—		—		—		22,70	—
April	207	—		2		2		10,43	31
May	237	—		—		—		13,21	55
June	281	—		15		15		16,43	1,62
July	167	—		—		—		5,81	91
August	150	—		—		—		7,02	30
September ..	269	—		7		7		5,45	68
October	184	—		—		—		3,62	35
November ..	221	—		3		3		8,78	59
December ..	296	—		4		4		15,19	64

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

MENT 2

BANKS AND STATE CO-OPERATIVE BANKS, 1945-1953

(Amount in lakhs of rupees)

Section 17(4) (b)	Section 17 (4) (c)			Section (17) (8)	Section 18 (1) (3)	Grand Total		
Scheduled banks	Scheduled banks	State Co- operative banks†	Total	Scheduled banks	Scheduled banks	Scheduled banks	State Co- operative banks	Total
9	10	11	12	13	14	15	16	17
—	—	—	—	—	—	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
—	74	77	1,51	—	—	11,17	97	12,14
—	1,00	38	1,38	—	—	11,51	69	12,20
—	12,50	91	13,41	—	—	35,20	91	36,11
—	10,65	38	11,03	—	—	21,08	71	21,79
—	16,20	31	16,51	—	—	29,41	86	30,27
—	19,76	45	20,30	—	—	36,19	2,31	38,50
—	4,99	16	5,15	—	—	10,80	1,07	11,87
—	—	53	53	—	—	7,02	83	7,85
—	—	93	93	—	—	5,45	1,68	7,13
—	—	35	35	—	—	3,62	70	4,32
—	—	60	60	—	—	8,78	1,22	10,00
—	—	83	83	—	—	15,19	1,51	16,70

† Include amount advanced against bills eligible under section 17 (2) (a).

CONSOLIDATED POSITION OF

Average of Fridays		No. of report- ing banks **	De- mand liabi- lities	Time liabi- lities	Total liabi- lities	Borrowings from banks*		Net liabi- lities (5-6-7)	Borrowings from the Reserve Bank			Borrow- ings from the Imperial Bank	
						Demand	Time		Against usage bills and/or promissory notes	Others	Total		
1		2	3	4	5	6	7	8	9	10	11	12	
1949	..	94	609.7	278.2	887.9	27.6	0.3	860.1					
1950	..	94	594.3	272.9	867.2	20.2	1.3	845.7					
1951	..	94	604.1	290.6	894.7	23.4	0.5	870.8					
1952	..	93	556.9	303.3	860.1	16.8	3.1	840.3	9.7	7.5	19.0	4.8	
1953	..	90	528.5	318.3	846.8	14.0	2.2	830.7	3.3	4.5	7.8	7.3	
Friday													
January	2	1953	93	531.2	314.0	845.2	12.6	1.9	830.6	1.0	10.3	11.3	5.7
	9	..	93	521.4	315.2	836.6	11.7	1.9	823.1	1.0	7.4	8.4	6.0
	16	..	93	524.4	316.3	840.7	13.1	2.2	825.4	1.0	4.7	5.7	6.2
	23	..	93	524.7	315.5	840.2	11.6	1.9	826.7	1.0	4.1	5.1	5.5
	30	..	92	529.1	315.3	844.4	12.3	1.9	830.2	1.0	3.3	4.3	6.5
February	6	..	92	525.0	315.3	840.3	12.4	1.8	826.1	0.7	5.7	6.5	7.1
	13	..	92	526.6	314.8	841.4	11.6	1.8	828.0	0.7	6.3	7.0	7.1
	20	..	92	527.0	315.4	842.5	11.1	1.9	829.5	0.7	3.6	4.4	5.4
	27	..	93	525.5	315.8	841.2	12.2	2.4	826.7	1.7	2.5	4.2	6.6
March	6	..	92	526.5	314.8	841.3	11.9	2.0	827.4	3.2	6.1	9.4	7.8
	13	..	92	529.0	314.6	843.6	12.4	2.0	829.2	4.2	5.8	10.0	8.4
	20	..	91	531.2	312.5	843.7	11.8	2.1	829.8	4.2	10.5	14.7	9.7
	27	..	91	534.1	311.8	845.9	11.9	1.9	832.1	5.2	13.6	18.9	10.5
April	3	..	90	542.0	311.8	853.8	14.5	2.2	837.2	0.7	16.2	16.9	12.8
	10	..	90	543.7	317.4	861.1	13.0	2.1	846.0	1.0	14.0	15.0	9.2
	17	..	90	541.6	319.2	860.8	13.7	2.0	845.2	2.2	10.4	12.6	8.3
	24	..	90	539.9	320.0	859.9	12.0	2.0	846.0	4.7	7.1	11.8	8.7
May	1	..	90	537.0	321.0	857.9	12.1	1.9	844.0	10.1	7.9	18.0	10.4
	8	..	91	524.2	321.7	845.9	10.9	1.9	833.1	15.5	10.3	25.8	11.4
	15	..	90	525.4	322.3	847.7	10.3	1.9	835.6	14.6	8.8	23.4	11.1
	22	..	90	530.4	323.0	853.4	11.2	1.9	840.3	11.6	6.4	17.9	9.9
	29	..	90	529.0	322.9	851.9	10.7	1.9	839.3	10.0	7.7	17.7	10.8
June	5	..	90	529.5	323.5	853.1	11.1	1.9	840.0	8.9	6.1	15.0	10.0
	12	..	90	521.9	324.2	846.1	11.1	1.9	833.1	19.2	10.0	29.2	13.6
	19	..	90	526.9	324.6	851.5	10.9	1.9	838.7	17.8	6.1	23.9	11.8
	26	..	90	530.3	327.6	857.8	10.4	2.0	845.5	11.4	1.8	13.2	8.1
July	3	..	90	531.4	327.6	859.0	11.9	1.9	845.2	3.3	1.6	4.9	6.6
	10	..	90	529.0	328.3	857.4	12.3	1.9	843.1	1.5	0.7	2.2	5.6
	17	..	90	535.7	328.5	864.2	14.3	2.1	847.8	0.5	0.8	1.3	7.4
	24	..	90	535.8	328.3	864.1	13.7	2.1	848.4	0.5	1.4	1.9	6.2
	31	..	90	530.3	328.3	858.5	14.4	2.3	841.9	0.5	1.8	2.3	6.5
August	7	..	90	530.0	327.6	857.6	12.3	2.2	843.2	0.5	4.0	4.5	7.3
	14	..	90	522.7	330.1	852.8	12.5	2.1	838.2	0.5	2.1	2.6	6.3
	21	..	90	528.2	328.5	856.7	12.7	2.1	841.9	0.5	1.7	2.2	5.8
	28	..	90	528.2	331.4	859.6	13.0	2.2	844.5	0.5	1.6	2.1	5.4
September	4	..	90	528.6	330.6	859.2	13.8	2.2	843.1	0.5	2.2	2.7	6.6
	11	..	90	526.8	330.3	857.1	13.8	2.1	841.2	0.5	1.7	2.2	4.7
	18	..	90	521.8	329.8	851.5	13.4	2.4	835.8	0.5	1.8	2.3	4.6
	25	..	90	524.9	330.2	855.1	13.4	2.3	839.4	0.5	1.7	2.2	4.5
October	2	..	90	526.9	329.8	856.7	14.8	2.4	839.5	0.5	2.0	2.5	4.7
	9	..	90	522.8	331.5	854.3	15.3	2.8	836.2	0.5	1.6	2.1	5.7
	16	..	90	520.4	332.9	853.3	14.9	2.9	835.5	0.5	1.5	2.0	5.3
	23	..	90	531.6	334.4	865.9	12.7	4.2	849.0	0.5	0.8	1.3	5.2
	30	..	90	533.4	334.0	867.4	14.1	4.0	849.2	0.5	0.8	1.3	4.9
November	6	..	90	513.0	334.8	847.7	12.0	3.3	832.4	0.5	2.5	3.0	8.7
	13	..	90	524.2	332.7	856.9	11.8	2.9	842.2	0.5	0.7	1.2	5.4
	20	..	90	527.7	333.6	861.3	11.5	2.6	847.2	0.5	0.5	1.0	6.0
	27	..	90	538.9	335.0	873.9	12.6	2.7	858.6	0.5	0.4	0.9	5.2
December	4	..	90	530.9	333.2	864.1	11.4	2.5	850.2	0.5	0.8	1.3	4.6
	11	..	90	528.3	333.2	861.5	12.0	2.1	847.3	0.5	0.7	1.2	5.7
	18	..	90	519.4	331.4	850.8	9.6	2.0	839.2	0.5	2.4	2.9	6.7
	25	..	90	516.3	331.9	848.2	8.2	1.8	838.1	0.5	1.6	2.1	6.9

* Exclude borrowings from the Imperial Bank with effect from April 18, 1952.

** At the end of the period.

SCHEDULED BANKS, 1949-53

(Amount in crores of rupees)

Cash in India	Balances with Reserve Bank	Excess of (14) over the statu- tory minimum	Total cash balances (13+14)	Percen- tage of 16 to 5	Balances with other banks in current account	Invest- ments in Govern- ment securities†	Percen- tage of 19 to 5	Money at call and short notice	Inland bills purchased and dis- counted††	Advan- ces@	Total sched- uled bank credit (21+22 +23)	Percen- tage of 24 to 5
13	14	15	16	17	18	19	20	21	22	23	24	25
34.9	66.3	30.3	101.2	11.4					15.7	433.9	449.6	50.6
34.4	61.5	26.3	95.9	11.1					12.8	427.9	440.7	50.8
37.2	59.1	23.1	96.4	10.8	12.8	311.2	34.8	11.6	15.4	515.4	532.8	59.6
33.8	52.2	18.3	86.0	10.0	11.7	304.1	35.4	16.1	38.8	480.7	535.6	62.3
32.2	45.8	13.0	77.9	9.2	11.0	317.6	37.5	16.5	47.4	444.0	507.9	60.0
35.4	46.1	13.2	81.4	9.6	11.7	320.4	37.9	16.4	32.7	443.1	492.3	58.2
33.9	43.0	10.6	76.9	9.2	10.6	316.0	37.8	14.7	32.3	450.5	497.6	59.5
34.7	45.0	12.4	79.6	9.5	11.4	310.9	37.0	16.8	31.4	450.7	498.8	59.3
33.8	46.6	14.1	80.4	9.6	10.9	309.8	36.9	16.4	31.6	451.3	499.4	59.4
33.0	44.7	12.0	77.7	9.2	10.4	311.4	36.9	18.1	33.4	455.6	507.1	60.1
32.1	42.0	9.4	74.1	8.8	10.5	307.5	36.6	16.9	34.5	463.0	514.4	61.2
34.3	44.6	12.0	78.9	9.4	11.0	301.8	35.9	15.1	41.5	459.2	515.7	61.3
32.9	43.2	10.6	76.1	9.0	11.1	302.1	35.9	17.0	41.2	458.5	516.6	61.3
31.3	42.5	9.9	73.7	8.8	10.3	301.2	35.8	17.0	46.7	458.2	521.8	62.0
33.4	41.6	9.0	75.0	8.9	10.8	300.9	35.8	16.4	51.2	459.6	527.2	62.7
32.5	40.6	7.8	73.1	8.7	10.8	301.8	35.8	15.9	50.2	462.6	528.7	62.7
32.0	41.7	8.9	73.7	8.7	10.6	303.1	35.9	13.6	52.7	467.6	533.9	63.3
32.5	42.7	9.8	75.2	8.9	11.0	303.3	35.9	12.7	54.6	473.9	541.2	64.0
33.6	51.1	17.8	84.7	9.9	11.2	301.3	35.3	16.4	57.8	474.0	548.2	64.2
32.4	43.3	9.8	75.7	8.8	14.2	301.7	35.0	16.8	57.3	473.7	546.8	63.6
33.5	42.3	8.9	75.8	8.8	13.4	301.7	35.1	16.4	59.4	467.0	542.8	63.1
32.3	41.2	7.8	73.4	8.5	12.9	301.1	35.0	17.2	60.1	464.9	542.1	63.1
31.8	40.6	7.4	72.4	8.4	12.6	300.9	35.1	16.3	61.4	474.8	552.5	64.4
32.1	38.3	5.7	70.5	8.3	11.0	300.7	35.6	14.1	61.9	478.0	554.0	65.5
32.1	40.6	7.9	72.6	8.6	11.3	300.7	35.5	14.0	60.9	472.9	547.8	64.6
31.9	40.9	7.9	72.7	8.5	11.3	300.2	35.2	16.3	59.9	470.9	547.1	64.1
31.7	39.2	6.2	70.8	8.3	11.1	299.8	35.2	14.3	60.2	471.1	545.6	64.0
31.8	40.3	7.3	72.1	8.5	10.8	300.2	35.2	15.7	58.7	470.4	544.8	63.9
32.5	39.8	7.3	72.4	8.6	10.5	312.4	36.9	13.6	59.8	469.9	543.3	64.2
33.9	39.6	6.7	73.5	8.6	11.8	312.4	36.7	14.6	58.4	462.9	535.9	62.9
34.6	40.1	7.0	74.7	8.7	12.0	314.0	36.6	17.2	56.6	453.2	527.0	61.4
33.6	40.1	7.0	73.7	8.6	11.5	313.4	36.5	17.2	56.0	452.3	525.5	61.2
32.7	39.7	6.7	72.5	8.5	11.4	312.8	36.5	18.4	53.4	446.8	518.6	60.5
31.4	39.8	6.5	71.2	8.2	12.1	313.7	36.3	19.1	52.0	442.6	513.8	59.5
30.9	50.5	17.2	81.5	9.4	11.3	315.6	36.5	17.2	51.2	438.8	507.2	58.7
30.7	44.8	11.7	75.5	8.8	10.7	316.4	36.9	18.5	51.5	438.0	508.0	59.2
29.4	47.1	14.0	76.5	8.9	10.2	319.1	37.2	16.3	51.8	436.6	504.6	58.9
29.9	41.1	8.4	71.0	8.3	10.2	323.1	37.9	16.2	49.5	431.2	496.8	58.3
31.2	44.1	11.1	75.3	8.8	9.9	323.6	37.8	16.9	48.3	428.5	493.7	57.6
31.7	45.9	12.9	77.7	9.0	10.3	326.9	38.0	16.7	46.8	426.5	490.1	57.0
31.9	49.1	16.1	81.0	9.4	9.7	328.0	38.2	17.4	45.9	428.0	491.3	57.2
30.5	48.0	15.1	78.6	9.2	10.1	329.2	38.4	17.7	44.4	423.3	485.5	56.7
30.8	47.0	14.3	77.7	9.1	9.9	333.2	39.1	16.9	42.5	421.2	480.6	56.4
31.2	49.8	17.0	81.1	9.5	10.6	333.9	39.0	17.7	42.0	418.1	477.8	55.9
29.9	54.2	21.3	84.1	9.8	10.4	333.6	38.9	18.1	39.9	421.3	479.3	56.0
31.5	47.7	14.9	79.2	9.3	10.2	336.5	39.4	19.7	40.3	421.7	481.6	56.4
30.1	50.3	17.7	80.4	9.4	10.0	336.2	39.4	19.2	38.6	420.9	478.7	56.1
32.9	53.7	20.5	86.6	10.0	10.6	338.3	39.1	20.0	39.3	413.3	472.5	54.6
31.3	59.1	25.8	90.4	10.4	10.4	339.7	39.2	21.3	39.8	409.2	470.3	54.2
28.8	45.7	13.3	74.5	8.8	9.5	340.2	40.1	16.5	42.4	420.8	479.8	56.6
34.3	47.6	14.7	81.9	9.6	11.2	339.8	39.7	16.0	38.3	419.6	473.9	55.3
32.8	59.7	26.7	92.5	10.7	11.4	337.4	39.2	16.6	38.3	409.4	464.2	53.9
32.8	67.9	34.2	100.6	11.5	11.3	336.8	38.5	18.3	40.0	409.1	467.4	53.5
31.7	58.8	25.6	90.5	10.5	11.2	337.1	39.0	16.6	40.4	410.3	467.3	54.1
32.1	53.9	20.8	86.0	10.0	11.3	338.4	39.3	16.9	40.7	408.8	466.4	54.1
31.4	47.2	14.6	78.5	9.2	10.9	337.3	39.7	13.5	41.7	416.7	471.8	55.5
32.1	44.6	12.1	76.7	9.0	11.0	336.0	39.6	12.7	45.4	415.7	473.8	55.9

† Include Treasury bills and TDRs.

†† Relate to inland bills discounted only upto October 1951.

@ Include money at call and short notice and inland bills purchased upto October 1951.

STATE MONEY RATES IN

Imperial Bank of India Rates											
Period		Bank Rate*		Hundi Rate†		Advances Rate		Call Loan Rate			
								Rs. 5 lakhs and over		Below Rs. 5 lakhs	
		Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
1949	..	3		3½	3	3½		2½	2½	3	
1950	..	3		3½		3½		2½		3	
1951	.. 3½§	3		4½	3½	4	3½	3½	2½	3½	3
1952	..	3½		4½		4		3½		3½	
1953	..	3½		4½		4		3½		3½	
Jan. 1953		3½		4½		4		3½		3½	
Feb. „	..	3½		4½		4		3½		3½	
Mar. „	..	3½		4½		4		3½		3½	
Apr. „	..	3½		4½		4		3½		3½	
May „	..	3½		4½		4		3½		3½	
June „	..	3½		4½		4		3½		3½	
July „	..	3½		4½		4		3½		3½	
Aug. „	..	3½		4½		4		3½		3½	
Sept. „	..	3½		4½		4		3½		3½	
Oct. „	..	3½		4½		4		3½		3½	
Nov. „	..	3½		4½		4		3½		3½	
Dec. „	..	3½		4½		4		3½		3½	

* 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.

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

† The rate at which the Imperial Bank of India discounts first class three months' commercial bills.

MENT 4

INDIA SINCE 1949

Bazaar Bill Rate‡				Call Money Rate						Long-term Government Bond Yield**
Calcutta		Bombay		Calcutta		Bombay				
						Larger Banks		Smaller Banks		
Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	
15	9	8½	7½	½	½	1½	½	1½	½	3.06
12	10	8½	7½		½	1	½	1½	1	3.11
12	10	9	8½		½	2½	½	2½	1½	3.20
12	10	9½	9	3	½	3	½	3½	1½	3.60
12	10	9½	8½	2½	1½	3	½	3	1½	3.64
12	10	9½		2½	2½	3	2½	3½	2½	3.62
12	10	9		2½		3	2½	3		3.62
12	10	9		2½	2½	3	2½	3		3.62
12	10	9		2½		3	2½	3		3.65
12	10	9		2½		2½	2½	3		3.64
12	10	9		2½		2½	2½	3		3.64
12	10	9		2½		2½	1½	3	2½	3.64
12	10	8½		2½		2½	1	2½	2½	3.66
12	10	9	8½	2½		2	1	2½	2½	3.65
12	10	9		2½	1½	1½	½	2½	1½	3.65
12	10	9		2½	1½	2½	½	3	2	3.66
12	10	9½	9	2½	1½	3	½	3	2½	3.64

† Rates at which bills of small traders are reported to have been discounted by shroffs; these are unofficial quotations.

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

STATE

LIABILITIES AND ASSETS IN

As on the last Friday of	1	No. of report- ing bank- ing com- panies	Paid- up cap- ital†	3	Re- serves	Demand Deposits		Time Deposits		Total Depos- its	Due to other banks	Total liabi- lities	Cash in hand	Bal- ances with the Re- serve Bank	Total 12+13
						From bank- ing com- panies	From others	From bank- ing com- panies	From others						
		2		4		5	6	7	8	9	10	11	12	13	14
A. INDIAN SCHEDULE															
1949		75	33.1	22.9		430.5		217.2		647.7	19.8	751.1	101.4		101.4
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	27.0		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
January/1953 ..		75	33.0	27.5		20.1	371.0	3.9	259.5	654.5	11.0	755.9	29.9	35.1	65.0
February		77	33.5	27.5		21.2	369.3	3.5	260.7	654.7	12.3	761.4	28.6	33.0	61.6
March		75	33.0	27.2		19.6	376.5	3.6	258.1	657.8	28.3	780.4	29.5	33.6	63.1
April		76	33.2	27.5		24.5	375.8	4.2	264.3	678.8	23.1	784.0	29.3	31.6	60.9
May		75	32.9	27.5		20.8	375.2	4.2	266.6	666.8	29.8	787.4	28.7	30.5	59.2
June		75	32.9	27.5		25.2	375.9	4.0	267.9	673.0	22.9	788.5	31.8	31.1	62.9
July		74	32.8	27.1		19.7	379.0	4.9	266.5	670.1	11.8	771.4	27.9	35.9	63.8
August		75	33.0	27.5		19.0	379.7	5.1	267.5	671.3	8.8	769.7	29.0	36.8	65.8
September		75	33.0	27.5		18.7	378.0	4.5	267.7	668.9	7.7	768.6	28.9	41.0	69.9
October		75	33.0	27.5		18.6	382.8	4.4	268.6	674.4	8.5	778.4	28.7	49.8	78.5
November		75	32.7	27.4		19.3	388.4	4.5	270.3	682.5	8.0	794.2	29.9	58.8	88.7
December		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
B. EXCHANGE															
1949		15		0.5		120.7		34.8		155.4	6.2	183.7	15.6		15.6
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
January/1953 ..		14		2.1	7.1	110.1		0.8	49.2	167.2	13.4	215.3	3.0	9.6	12.6
February		13		2.4	7.1	108.3		0.2	49.2	164.8	12.5	210.1	2.6	9.6	12.2
March		13		2.4	6.9	109.3		0.1	48.3	164.6	14.0	212.5	3.1	9.4	12.5
April		13		2.4	6.8	113.0		0.2	46.6	166.6	11.1	212.7	2.9	9.8	12.7
May		14		2.4	6.6	108.1		0.1	47.4	162.2	11.2	209.5	2.9	8.9	11.8
June		14		2.4	6.8	105.1		0.2	50.6	162.7	10.5	211.0	2.9	9.2	12.1
July		14		3.0	6.2	103.1		0.4	51.2	160.9	13.3	206.9	2.8	9.1	12.0
August		14		3.0	5.5	103.7		0.1	53.9	163.2	13.4	209.1	2.7	9.3	12.0
September		14		3.0	5.5	102.5		0.1	52.6	160.7	14.6	207.1	2.6	8.9	11.5
October		14		3.0	4.6	105.4		1.6	54.1	165.7	14.2	206.7	2.5	9.3	11.8
November		14		3.0	4.6	105.9		0.7	54.5	165.7	12.6	202.5	2.8	9.0	11.8
December		14		2.8	5.4	103.7		0.1	54.6	163.7	8.6	198.9	2.8	8.9	11.7
C. ALL SCHEDULE															
1949		90	33.1	23.4		551.2		251.9		803.1	26.0	934.8	117.0		117.0
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
January/1953 ..		89	33.0	29.6		27.2	481.1	4.8	308.6	821.7	24.4	971.1	32.9	44.8	77.7
February		90	33.5	29.8		28.3	477.6	3.8	309.9	819.6	24.8	971.5	31.2	42.6	73.8
March		88	33.0	29.6		26.5	485.8	3.7	306.4	822.4	42.3	992.9	32.6	42.9	75.5

MENT 5

INDIA OF BANKING COMPANIES

(Amount in crores of rupees)

<i>Percent- age of 14 to 9</i>	<i>Balances with the agent of the Reserve Bank and other banks</i>	<i>Money at call and short notice*</i>	<i>Bills purchas- ed and discoun- ted</i>	<i>Loans, advan- ces, cash credits and over- drafts</i>	<i>Duo from banks</i>	<i>Total Advan- ces 17+ 18+19 +20†</i>	<i>Percent- age of 21 to 9</i>	<i>Invest- ments in Govt. secu- rities‡</i>	<i>Other invest- ments</i>	<i>Total 23+24</i>	<i>Percent- age of 25 to 9</i>	<i>Total Assets</i>
15	16	17	18	19	20	21	22	23	24	25	26	27
LED BANKS @												
15.7	8.3		271.0		19.1	290.1	44.8	293.3	20.7	314.1	48.5	741.6
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	270.1	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
9.9	8.3	6.7	31.0	318.6	12.8	369.1	56.4	267.0	22.0	289.0	44.2	753.7
9.4	8.3	5.6	43.7	323.0	13.2	385.5	58.9	256.7	22.0	278.7	42.6	753.8
9.6	8.6	4.8	51.4	330.9	16.5	403.6	61.4	259.0	21.5	280.5	42.6	775.1
9.0	8.6	8.8	56.0	328.7	14.3	407.8	60.1	256.9	21.4	278.7	41.1	776.9
8.9	9.0	7.0	56.5	333.1	15.3	411.9	61.8	255.6	21.2	276.8	41.5	779.0
9.4	9.8	9.1	54.1	320.3	12.1	395.6	58.8	268.3	21.5	289.8	43.1	781.2
9.5	8.4	11.3	49.7	305.0	12.0	378.0	56.4	269.9	21.1	291.0	43.4	770.7
9.8	8.1	7.8	45.5	296.4	9.7	359.5	53.6	280.9	21.9	302.8	46.1	759.7
10.5	8.5	10.2	39.8	289.2	9.7	348.9	52.2	287.8	21.9	309.7	46.3	756.5
11.6	8.4	13.7	37.2	282.7	9.9	343.5	60.9	292.8	22.1	314.9	46.7	765.7
13.0	9.0	12.6	37.6	285.6	9.6	345.4	50.6	289.4	21.8	311.1	45.6	774.1
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
BANKS												
10.0	7.1		100.3		1.5	101.7	65.4	46.5	0.9	47.4	30.5	179.6
9.6	7.3		108.9		0.9	109.9	66.9	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
7.5	1.5	11.0	4.8	121.0	1.7	138.5	82.8	44.2	0.9	45.1	27.0	204.2
7.4	1.4	11.4	5.1	118.7	2.2	137.4	83.4	44.2	0.9	45.1	27.4	201.9
7.6	1.4	7.8	5.0	123.1	2.2	138.1	83.9	44.2	0.8	45.0	27.3	203.2
7.6	3.5	8.4	5.9	119.0	2.3	135.6	81.4	44.2	0.8	45.0	27.0	202.9
7.3	1.4	7.3	5.7	119.9	2.2	135.1	83.3	44.1	0.7	44.8	27.6	199.9
7.4	1.5	8.2	5.5	119.0	1.7	134.4	82.4	45.8	0.7	46.5	28.5	201.1
7.5	1.5	7.2	4.7	117.3	1.8	131.0	81.4	45.7	0.7	46.4	28.8	197.1
7.4	1.5	8.7	5.0	115.4	1.6	130.7	80.1	45.8	0.7	46.5	28.5	197.2
7.2	1.5	7.4	5.4	114.1	1.8	128.7	80.1	46.1	0.8	46.9	29.2	195.4
7.1	1.5	7.7	6.8	112.5	1.7	128.7	77.7	46.8	0.8	47.6	28.7	195.7
7.1	1.6	5.7	7.3	109.8	2.1	124.9	75.4	47.3	0.8	48.1	29.0	192.6
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
LED BANKS												
14.6	15.5		371.2		20.6	391.8	48.8	339.8	21.6	361.4	45.0	921.2
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
9.5	9.8	17.7	35.8	439.6	14.5	507.6	61.8	311.2	22.8	334.0	40.7	957.8
9.0	9.7	17.0	48.8	441.7	15.4	522.9	63.8	300.9	22.8	323.7	39.5	955.7
9.2	10.0	12.7	56.4	453.9	18.6	541.6	65.9	303.2	22.3	325.5	39.6	978.3

STATE LIABILITIES AND ASSETS IN

As on the last Friday of	No. of reporting banking companies	Paid-up capital†	Reserves	Demand Deposits		Time Deposits		Total Deposits	Due to other banks	Total liabilities	Cash in hand	Balances with the Reserve Bank	Total 12+13
				From banking companies	From others	From banking companies	From others						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
April ..	89	33.2	29.9	31.3	488.9	4.4	310.8	835.4	34.1	996.7	32.2	41.4	73.6
May ..	89	32.9	29.9	27.3	483.2	4.3	314.0	828.9	41.0	996.8	31.6	39.4	71.0
June ..	89	32.9	29.9	32.0	481.0	4.1	318.5	835.6	33.4	999.5	34.7	40.4	75.1
July ..	88	32.8	30.1	26.0	482.1	5.2	317.7	831.0	25.1	978.3	30.6	45.0	75.7
August ..	89	33.0	30.4	24.5	483.4	5.2	321.3	834.4	22.2	978.8	31.6	46.1	77.7
September ..	89	33.0	30.5	24.2	480.5	4.6	320.3	829.5	22.3	975.7	31.5	49.9	81.4
October ..	89	33.0	30.5	23.2	488.2	6.0	322.7	840.1	22.7	985.1	31.2	59.1	90.3
November ..	89	32.7	30.4	23.9	494.3	5.3	324.8	848.2	20.6	996.7	32.7	67.8	100.4
December ..	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
D. NON-SCHEDULED													
1949 ..	358	5.7	2.2	15.4		24.6		40.0	2.9	53.2	3.6	—	3.6
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
January/1953 ..	409	8.6	3.8	0.4	18.2	0.2	38.5	57.4	3.0	75.0	4.2	—	4.2
February ..	421	8.7	3.9	0.4	18.7	0.2	39.3	58.6	2.6	76.2	4.5	—	4.5
March ..	422	9.1	4.0	0.3	19.0	0.2	40.3	60.0	2.5	78.0	4.5	—	4.5
April ..	425	8.8	4.1	0.3	20.0	0.2	38.8	59.3	2.8	77.2	4.9	—	4.9
May ..	420	8.7	3.9	0.3	19.4	0.2	38.8	58.7	2.8	76.2	4.7	0.1	4.8
June ..	414	8.6	4.1	0.3	17.8	0.2	40.1	58.5	2.0	75.3	4.4	0.1	4.5
July ..	420	8.9	4.2	0.3	19.0	0.3	40.0	59.6	2.5	77.3	4.1	—	4.1
August ..	420	8.8	4.0	0.3	18.6	0.2	39.5	58.6	2.5	76.1	4.0	—	4.0
September ..	424	9.0	4.3	0.2	19.2	0.5	40.7	60.5	1.9	77.9	4.0	—	4.0
October ..	416	8.7	4.0	0.3	19.4	0.2	39.5	59.4	2.1	76.5	4.0	—	4.0
November ..	415	8.7	4.0	0.3	19.5	0.3	39.6	59.7	2.3	77.0	4.4	—	4.4
December ..	415	8.5	3.9	0.2	19.6	0.3	39.8	59.9	1.6	76.3	4.5	—	4.6
E. ALL													
1949 ..	448	38.8	25.6	566.5		276.6		843.1	28.9	988.0	120.6		120.6
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
January/1953 ..	498	41.6	33.3	27.6	499.3	5.0	347.2	879.1	27.4	1,046.1	37.2	44.8	82.0
February ..	511	42.2	33.7	28.6	496.4	4.0	349.2	878.2	27.4	1,047.7	35.7	42.6	78.3
March ..	510	42.1	33.6	26.8	504.8	4.0	346.8	882.3	44.8	1,070.9	37.1	42.9	80.0
April ..	514	42.0	34.0	31.6	508.8	4.6	349.6	894.7	36.9	1,073.9	37.1	41.4	78.5
May ..	509	41.6	33.8	27.6	502.6	4.5	352.8	887.5	43.7	1,073.1	36.3	39.4	75.7
June ..	503	41.5	33.9	32.3	498.8	4.4	358.6	894.1	35.4	1,074.8	39.1	40.4	79.5
July ..	508	41.7	34.3	26.3	501.0	5.5	357.7	890.5	27.7	1,055.7	34.7	45.0	79.7
August ..	509	41.8	34.4	24.8	502.0	5.4	360.9	893.0	24.7	1,054.9	35.6	46.2	81.8
September ..	513	42.0	34.8	24.4	499.6	5.0	361.0	890.0	24.2	1,053.6	35.5	49.9	85.4
October ..	505	41.7	34.5	23.4	507.6	6.1	362.1	899.2	24.8	1,061.7	35.2	59.2	94.4
November ..	504	41.4	34.4	24.2	513.8	5.5	364.3	907.8	22.9	1,073.7	37.0	67.8	104.8
December ..	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

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

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

@ Include one bank registered in Pakistan upto 1952 and two such banks for 1953.

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 purchased and discounted	Loans, advances, cash credits and overdrafts	Due from banks	Total Advances 17+18+19+20†	Percent-age of 21 to 9	Invest-ments in Govt. secu-rities§	Other invest-ments	Total 23+24	Percent-age of 25 to 9	Total Assets
15	16	17	18	19	20	21	22	23	24	25	26	27
8.8	12.2	17.2	61.9	447.7	16.5	543.3	65.0	301.1	22.2	323.3	38.7	979.8
8.6	10.4	14.3	62.1	453.0	17.6	547.0	66.0	299.7	21.9	321.6	38.8	978.9
9.0	11.3	17.3	59.6	439.3	13.9	530.1	63.4	314.0	22.2	336.2	40.2	982.3
9.1	10.0	18.5	54.4	422.3	13.7	509.0	61.2	315.6	21.8	337.4	40.6	967.8
9.3	9.5	16.5	50.5	411.7	11.3	490.2	58.7	326.7	22.5	349.3	41.9	956.9
9.8	10.0	17.6	45.2	403.3	11.5	477.6	57.6	333.0	22.7	356.6	43.0	951.9
10.7	9.9	21.4	44.0	395.2	11.6	472.2	56.2	339.6	22.0	362.5	43.1	961.4
11.8	10.5	18.3	44.9	395.3	12.7	471.2	55.5	336.7	22.6	359.3	42.4	966.7
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
LED BANKS												
9.0	2.2			30.4	0.1	30.4	76.0	9.9	2.8	12.8	32.0	51.9
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
7.4	2.8	0.3	2.4	38.9	0.1	41.7	72.5	18.8	3.5	22.3	38.8	74.8
7.7	2.9	0.2	2.3	40.0	0.1	42.6	72.6	18.5	3.3	21.8	37.3	76.0
7.5	3.1	1.2	2.1	40.1	0.1	43.5	72.6	18.1	3.3	21.4	35.7	77.9
8.3	2.8	0.5	2.4	39.1	0.1	44.5	71.0	19.7	3.8	23.5	39.6	77.1
8.1	2.4	0.7	2.2	38.7	0.2	41.8	71.2	19.7	3.8	23.5	40.1	76.1
7.6	2.3	0.7	2.0	38.8	0.3	42.0	71.9	18.4	3.6	22.0	37.6	75.2
6.9	2.3	1.0	2.0	39.3	0.3	42.6	71.5	19.4	3.9	23.3	39.2	77.2
6.8	2.3	1.1	2.0	38.0	0.3	41.4	70.3	20.0	4.4	24.4	41.5	76.1
6.6	2.2	1.0	2.1	38.8	0.3	42.2	69.7	20.1	4.4	24.5	40.3	77.8
6.7	2.6	1.5	1.9	37.7	0.2	41.3	69.6	20.1	4.0	24.1	40.5	76.4
6.7	2.6	0.8	2.2	38.5	0.2	41.7	69.8	20.2	3.9	24.1	40.4	76.9
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
BANKS												
14.3	17.6			401.6	20.6	422.3	50.1	349.8	24.4	374.2	44.4	973.1
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
9.3	12.5	17.9	38.2	478.5	14.6	549.2	62.5	330.0	26.3	356.3	40.5	1,032.7
8.9	12.5	17.2	51.0	481.7	15.5	565.4	64.4	319.4	26.1	345.5	39.3	1,031.7
9.1	13.1	13.8	58.5	494.1	18.7	585.1	66.3	321.3	25.5	346.8	39.3	1,056.2
8.8	14.9	17.7	64.3	486.8	16.6	585.4	65.4	320.8	26.0	346.8	38.8	1,056.9
8.5	12.8	15.0	64.4	491.7	17.8	588.9	66.3	319.4	25.7	345.1	38.9	1,055.0
8.9	13.7	18.0	61.8	478.1	14.2	572.1	64.0	332.4	25.8	358.2	40.1	1,057.5
8.9	12.3	19.5	56.4	461.6	14.0	551.5	61.9	335.0	25.7	360.7	40.5	1,045.0
9.2	11.8	17.5	52.5	449.7	11.6	531.3	59.5	346.7	26.9	373.6	41.8	1,033.0
9.6	12.2	18.7	47.3	442.1	11.8	519.9	58.4	353.9	27.1	381.0	42.8	1,029.7
10.5	12.4	22.8	45.9	432.9	11.7	513.3	57.1	359.7	26.9	386.6	43.0	1,037.8
11.5	13.2	19.1	47.2	433.8	11.9	512.0	56.4	356.9	26.5	383.4	42.2	1,043.7
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

† Exclude money at call and short notice for 1949 and 1950.

§ Include Treasury bills and TDRs.

* For the years 1949 and 1950 money at call and short notice is included in balances with other banks in column 16.

STATEMENT 6
PRINCIPAL RATIOS OF BANKING COMPANIES
(As on the last Friday of the year)

Ratio of 1	(Percentage)							
	Exchange Banks		Other Scheduled Banks		Non-Scheduled Banks		All Banks	
	1952 2	1953 3	1952 4	1953 5	1952 6	1953 7	1952 8	1953 9
1. Reserves to paid-up capital ..			82	84	45	46	78	83
2. Demand deposits to total deposits	69	67	60	59	34	33	60	59
3. Time deposits to total deposits	31	33	40	41	66	67	40	41
4. Total paid-up capital and reserves to total deposits ..			9	9	22	21	9	8
5. Borrowings from banks to total deposits	9	5	2	1	6	3	3	2
6. Cash in hand and balances with the Reserve Bank of India to total deposits ..	8	7	10	10	8	8	9	9
7. Balances with the agent of the Reserve Bank of India and with other banks to total deposits	1	1	1	1	5	4	2	1
8. Investments in Government securities to total deposits ..	26	29	43	43	35	34	39	40
9. Total Investments to total deposits	26	29	46	46	41	40	42	43
10. Advances to total deposits ..	80	75	54	53	70	68	60	58
11. Capitalised expenses to total paid-up capital and reserves			2	2	7	3	3	3

Note :—In calculating the ratios under columns 8 and 9 against item 4, 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., 1939-1953

End of	(Ratio per cent)					
	India (<i>Indian Joint Stock Banks</i>)			United Kingdom	United States of America	
	Scheduled banks	Non-scheduled banks	All banking companies	(Eleven clearing banks)	(All commercial banks)	
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	

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, 1949 in the case of India, and from figures available in the Bankers', Insurance Managers' and Agents' 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 at December 24, 1953)

(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 of India	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 ..	48	8.4 (16.1)	17.8 (34.0)	34.4 (65.8)	52.3	6.5 (12.4)	10.9 (32.3)	2.1 (4.0)	34.2 (65.4)
2. Rs. 50 lakhs and above ..	25	51.7 (8.4)	376.7 (61.3)	237.9 (38.7)	614.5	58.3 (9.5)	270.5 (44.0)	19.8 (3.2)	319.1 (51.9)
3. Total of 1 and 2 ..	73	60.1 (9.0)	394.5 (59.2)	272.3 (40.8)	666.8	64.8 (9.7)	287.4 (43.1)	21.9 (3.3)	353.3 (53.0)
B. NON-SCHEDULED BANKS									
4. Below Rs. 50,000 ..	49	0.1 (20.0)	0.1 (20.0)	0.3 (60.0)	0.5	0.1 (20.0)	—	—	0.4 (80.0)
5. Rs. 50,000 and above but less than Rs. 1 lakh ..	108	0.8 (30.8)	0.7 (26.9)	1.9 (73.1)	2.6	0.2 (7.7)	0.4 (15.4)	0.2 (7.7)	2.3 (88.5)
6. Rs. 1 lakh and above but less than Rs. 5 lakhs ..	195	4.0 (21.6)	5.1 (27.6)	13.5 (73.0)	18.5	1.7 (9.2)	4.9 (26.5)	1.1 (5.9)	14.1 (76.2)
7. Rs. 5 lakhs and above but less than Rs. 50 lakhs ..	59	4.8 (23.0)	8.0 (38.3)	12.9 (61.7)	20.9	1.7 (8.1)	5.9 (28.2)	1.3 (6.2)	15.3 (73.2)
8. Rs. 50 lakhs and above ..	3	2.7 (15.5)	5.9 (33.9)	11.5 (66.1)	17.4	0.9 (5.2)	8.9 (51.1)	1.6 (9.2)	8.6 (49.4)
9. Total of 4 to 8 ..	414	12.4 (20.7)	19.8 (33.1)	40.1 (66.9)	59.9	4.6 (7.6)	20.1 (33.6)	4.2 (7.0)	40.7 (68.0)
C. ALL BANKS									
10. Below Rs. 50,000 ..	49	0.1 (20.0)	0.1 (20.0)	0.3 (60.0)	0.5	0.1 (20.0)	—	—	0.4 (80.0)
11. Rs. 50,000 and above but less than Rs. 1 lakh ..	108	0.8 (30.8)	0.7 (26.9)	1.9 (73.1)	2.6	0.2 (7.7)	0.4 (15.4)	0.2 (7.7)	2.3 (88.5)
12. Rs. 1 lakh and above but less than Rs. 5 lakhs ..	195	4.0 (21.6)	5.1 (27.6)	13.5 (73.0)	18.5	1.7 (9.2)	4.9 (26.5)	1.1 (5.9)	14.1 (76.2)
13. Rs. 5 lakhs and above but less than Rs. 50 lakhs ..	107	13.2 (18.0)	25.8 (35.2)	47.3 (64.6)	73.2	8.2 (11.2)	22.8 (31.1)	3.4 (4.6)	49.5 (67.6)
14. Rs. 50 lakhs and above ..	28	54.4 (8.6)	382.6 (60.5)	249.4 (39.5)	631.9	59.2 (9.4)	279.4 (44.2)	21.4 (3.4)	327.7 (51.9)
15. Total of 10 to 14 ..	487	72.5 (10.0)	414.3 (57.0)	312.4 (43.0)	726.7	69.4 (9.6)	307.5 (42.3)	26.1 (3.6)	394.0 (54.2)

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

* 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 Fri- day 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	Per- centage to total	Number	Per- centage to total	Number	Per- centage to total	Number	Per- centage to total	Number
1	2	3	4	5	6	7	8	9	10	11
Scheduled	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
Non-Scheduled..	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	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

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 the figures may not tally with the year-end figures in audited balance sheets.

STATEMENT 10

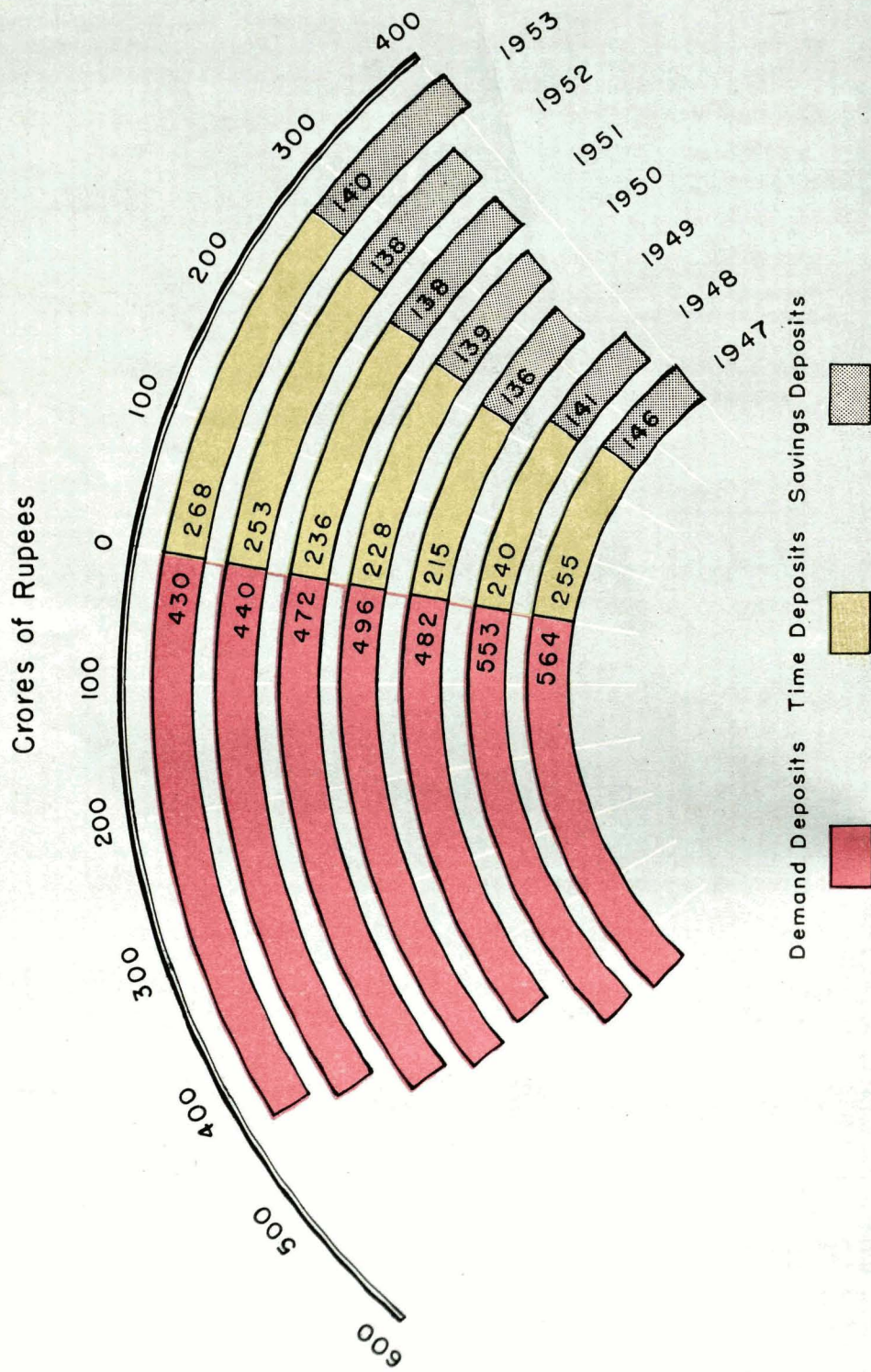
UNCLAIMED DEPOSITS HELD BY BANKING COMPANIES

(Amount in lakhs of rupees)

No. of reporting banking companies	December 31, 1951				December 31, 1952			
	508				557			
No. of banking companies showing unclaimed accounts	207				204			
	Number	Per- centage to total	Amount	Per- centage to total	Number	Per- centage to total	Amount	Per- centage to total
Particulars	2	3	4	5	6	7	8	9
I. Nature of Accounts—								
1. Current	46,532	30	29	22	45,678	27	32	22
2. Savings	1,06,135	67	65	48	1,18,219	70	72	50
3. Fixed	713	—	35	26	721	—	34	24
4. Others	4,944	3	5	4	4,893	3	6	4
II. Interest credited			@				@	
III. Incidental charges			@				@	
debited								
IV. Total	1,58,324		134		1,69,511		144	

@ Loss than Rs. 50,000.

COMPOSITION OF DEPOSITS OF SCHEDULED BANKS IN INDIA 1947-53



STATEMENT II
PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES
CLASSIFIED ACCORDING TO THE SIZE OF THEIR DEPOSITS
(As at December 24, 1953) (Amount in crores of rupees)

Size of deposits	No. of reporting banking companies	Paid-up capital and reserves*	Deposits			Cash in hand and balances with the Reserve Bank of India	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. Below Rs. 5 lakhs	4	0.3	—	—	—	—	—	—	0.3
2. Rs. 5 lakhs to Rs. 10 lakhs..	1	—	0.1 (100.0)	—	0.1	—	—	—	—
3. Rs. 10 lakhs to Rs. 50 lakhs	14	2.3 (54.8)	1.8 (42.9)	2.4 (57.1)	4.2	0.5 (11.9)	1.2 (28.6)	0.4 (9.5)	3.8 (90.5)
4. Rs. 50 lakhs to Rs. 1 crore	18	3.1 (24.4)	4.5 (35.4)	8.2 (64.6)	12.7	1.4 (11.0)	5.0 (39.4)	1.0 (7.9)	8.0 (63.0)
5. Rs. 1 crore to Rs. 5 crores ..	25	8.4 (14.7)	26.3 (45.9)	31.0 (54.1)	57.3	6.6 (11.5)	19.3 (33.7)	2.1 (3.7)	40.3 (70.3)
6. Rs. 5 crores to Rs. 10 crores	12	6.7 (8.0)	46.7 (55.9)	36.9 (44.1)	83.6	8.7 (10.4)	28.0 (33.5)	2.1 (2.5)	56.0 (67.0)
7. Rs. 10 crores to Rs. 20 crores	4	3.3 (5.5)	29.9 (50.1)	29.8 (49.9)	59.7	5.9 (9.9)	19.6 (32.8)	0.8 (1.3)	40.2 (67.3)
8. Rs. 20 crores and above ..	11	38.8 (6.3)	395.4 (64.4)	218.8 (35.6)	614.2	53.5 (8.7)	261.7 (42.6)	16.3 (2.7)	328.0 (53.4)
9. Total of 1 to 8	89	62.9 (7.6)	504.7 (60.7)	327.1 (39.3)	831.8	76.6 (9.2)	334.8 (40.3)	22.7 (2.7)	476.6 (57.3)
B. NON-SCHEDULED BANKS									
10. Below Rs. 5 lakhs	248	3.3 (82.5)	1.3 (32.5)	2.7 (67.5)	4.0	0.5 (12.5)	0.8 (20.0)	0.4 (10.0)	5.0 (125.0)
11. Rs. 5 lakhs to Rs. 10 lakhs ..	63	1.4 (30.4)	1.2 (26.1)	3.4 (73.9)	4.6	0.4 (8.7)	1.0 (21.7)	0.2 (4.3)	4.0 (87.0)
12. Rs. 10 lakhs to Rs. 50 lakhs.	82	3.3 (19.6)	5.2 (31.0)	11.6 (69.0)	16.8	1.5 (8.9)	4.5 (26.8)	1.0 (6.0)	12.7 (75.6)
13. Rs. 50 lakhs to Rs. 1 crore ..	15	1.1 (10.4)	3.3 (31.1)	7.3 (68.9)	10.6	0.8 (7.5)	2.3 (21.7)	0.6 (5.7)	7.1 (67.0)
14. Rs. 1 crore to Rs. 5 crores ..	5	1.1 (13.9)	3.0 (38.0)	4.9 (62.0)	7.9	0.5 (6.3)	2.9 (36.7)	0.5 (6.3)	4.7 (59.5)
15. Rs. 5 crores and above ..	2	2.2 (13.8)	5.8 (36.3)	10.2 (63.8)	16.0	0.9 (5.6)	8.6 (53.8)	1.5 (9.4)	7.2 (45.0)
16. Total of 10 to 15	415	12.4 (20.7)	19.8 (33.1)	40.1 (66.9)	59.9	4.6 (7.6)	20.1 (33.6)	4.2 (7.0)	40.7 (68.0)
C. ALL BANKS									
17. Below Rs. 5 lakhs	252	3.6 (90.0)	1.3 (32.5)	2.7 (67.5)	4.0	0.5 (12.5)	0.8 (20.0)	0.4 (10.0)	5.3 (132.5)
18. Rs. 5 lakhs to Rs. 10 lakhs..	64	1.4 (29.8)	1.3 (27.7)	3.4 (72.3)	4.7	0.4 (8.5)	1.0 (21.3)	0.2 (4.3)	4.0 (85.1)
19. Rs. 10 lakhs to Rs. 50 lakhs	96	5.6 (26.7)	7.0 (33.3)	14.0 (66.7)	21.0	2.0 (9.5)	5.7 (27.1)	1.4 (6.7)	16.5 (78.6)
20. Rs. 50 lakhs to Rs. 1 crore ..	33	4.2 (18.0)	7.8 (33.5)	15.5 (66.5)	23.3	2.2 (9.4)	7.3 (31.3)	1.6 (6.9)	15.1 (64.8)
21. Rs. 1 crore to Rs. 5 crores ..	30	9.5 (14.6)	29.3 (44.9)	35.9 (55.1)	65.2	7.1 (10.9)	22.2 (34.0)	2.6 (4.0)	45.0 (69.0)
22. Rs. 5 crores to Rs. 10 crores	14	8.9 (8.9)	52.5 (52.7)	47.1 (47.3)	99.6	9.6 (9.6)	36.6 (36.7)	3.6 (3.6)	63.2 (63.5)
23. Rs. 10 crores to Rs. 20 crores	4	3.3 (5.5)	29.9 (50.1)	29.8 (49.9)	59.7	5.9 (9.9)	19.6 (32.8)	0.8 (1.3)	40.2 (67.3)
24. Rs. 20 crores and above ..	11	38.8 (6.3)	395.4 (64.4)	218.8 (35.6)	614.2	53.5 (8.7)	261.7 (42.6)	16.3 (2.7)	328.0 (53.4)
25. Total of all banks	504	75.3 (8.4)	524.5 (58.8)	367.2 (41.2)	891.7	81.2 (9.1)	354.8 (39.8)	26.9 (3.0)	517.3 (58.0)

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

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

†Include Treasury bills.

STATEMENT 12

DEPOSITS OF SELECTED SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1953

(Amount in crores of rupees)

Rate of interest	Last Friday of	March		June		September		December	
		Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total
Nil		195.5	31	193.0	31	193.9	31	186.1	30
Above 0% and upto $\frac{1}{4}$ %		104.9	17	104.9	17	98.3	16	96.1	16
Above $\frac{1}{4}$ % and upto 1%		77.6	13	77.1	12	81.4	13	81.3	13
Above 1% and upto $1\frac{1}{2}$ %		62.6	10	62.4	10	63.4	10	64.2	11
Above $1\frac{1}{2}$ % and upto 2%		24.9	4	26.5	4	34.3	5	26.0	4
Above 2%		152.2	25	167.3	26	155.5	25	161.0	26
A. TOTAL		617.7		631.2		626.8		614.7	
B. Total demand and time liabilities of the selected scheduled banks*		626.3		638.4		632.5		628.7	
C. Total demand and time liabilities of all reporting scheduled banks*		832.1		845.5		839.4		838.1	
Percentage of B to C ..		75		76		75		75	

Note :—Figures relate to 13 selected scheduled banks.

* Net liabilities (excluding inter-bank borrowings) as reported in the weekly return under section 42(2) of the Reserve Bank of India Act, 1934.

STATEMENT 13

DEPOSITS OF NON-SCHEDULED BANKS (SAMPLE) AT VARIOUS RATES OF INTEREST, 1953

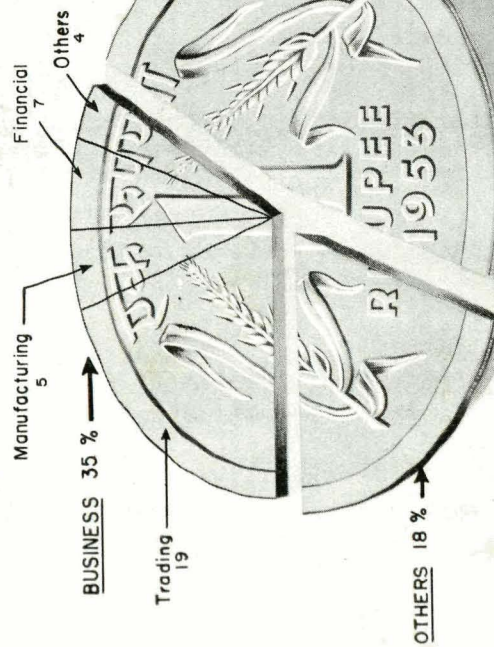
(Amount in lakhs of rupees)

Rate of interest	Last day of	September		December	
		Amount	Percentage to total	Amount	Percentage to total
Nil		3,12	9	3,75	10
Above 0% and upto $\frac{1}{4}$ %		59	2	54	1
Above $\frac{1}{4}$ % and upto $\frac{1}{2}$ %		2,93	8	2,90	8
Above $\frac{1}{2}$ % and upto 1%		78	2	82	2
Above 1% and upto $1\frac{1}{2}$ %		2,68	7	2,72	7
Above $1\frac{1}{2}$ % and upto 2%		4,94	14	5,23	14
Above 2% and upto $2\frac{1}{2}$ %		3,83	11	4,04	11
Above $2\frac{1}{2}$ % and upto 3%		5,54	16	5,86	16
Above 3%		10,94	31	11,04	30
A. Total		35,35		36,90	
B. Total deposits of all reporting non-scheduled banks		60,50		59,91	
Percentage of A to B		58		62	

Note :—Figures relate to 107 banks in September and 99 banks in December.

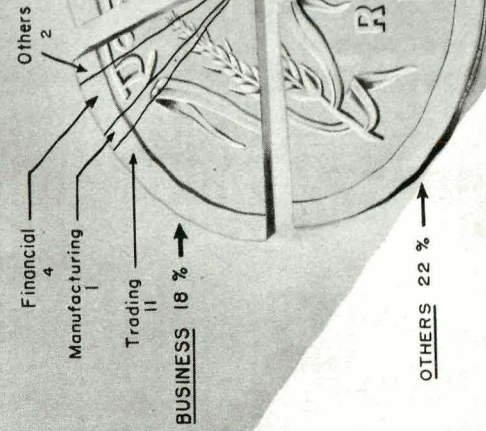
OWNERSHIP OF DEPOSITS OF BANKS as at December 31, 1953 (Percentages)

SCHEDULED BANKS



PERSONAL 47 %

NON-SCHEDULED BANKS



PERSONAL 60 %

STATEMENT 14

INTEREST RATES ALLOWED BY LARGER SCHEDULED BANKS* ON DEPOSITS DURING 1953

(Rate per cent per annum)															
Bombay					Calcutta					Madras					
31-3-53		30-6-53		30-9-53		31-12-53		31-3-53		30-6-53		30-9-53		31-12-53	
H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L
Call Money ..	3½	4	3	1	3	1	3½	4	3½	4	3	1	3½	2	3½
Current account	2	4	2	4	3	4	2	4	1½	4	3	4	1½	4	2
Savings bank ..	2	4	2	1	2½	1	2	1	2	1	2½	1	2½	1	2½
One month ..	3½	1	3½	4	3½	1½	3½	1	3½	4	3	1½	3	1½	3
Three months ..	3½	1½	3½	4	3½	1½	3½	1½	3½	4	3½	1½	3½	1½	3½
Six months ..	3	1½	3½	4	3½	1½	3	1	3½	4	3	1½	3½	1½	3½
One year ..	4	4	4	4	3½	4	3½	4	3½	4	3½	4	3½	4	3½
Two years ..	3½	2	3½	2	3½	2½	3½	2	3½	2	3½	2	3½	2	3½
Three years ..	4½	2½	3½	2	3½	2½	3½	2	4½	2	4½	2	3½	2½	3½

There are on December 25, 1953.

H=Highest.

L=Lowest.

*Sixteen banks each with demand and time liabilities of Rs. 10 crores and above as on December 25, 1953.

STATE
OWNERSHIP OF DEPOSITS OF
(By Types

Number of banking companies	SCHEDULED			
	December 31, 1952		June 30, 1953	
	89		87	
	Amount	Percentage to group total	Amount	Percentage to group total
1	2	3	4	5
I. Demand deposits of				
1. Manufacturing concerns	42,88	10.0	45,85	10.6
2. Trading concerns	112,93	26.4	110,11	25.5
3. Public utility (e.g. transport and communications, gas, electricity, etc.) concerns	8,77	2.1	7,36	1.7
4. Mining concerns	4,05	0.9	4,22	1.0
5. Plantation concerns	5,66	1.3	5,31	1.2
6. Financial concerns	50,00	11.7	52,54	12.2
(a) Banks	29,93	7.0	31,50	7.3
(b) Insurance companies	10,38	2.4	10,54	2.4
(c) Co-operative banks and societies	5,32	1.2	6,37	1.4
(d) Others	4,36	1.0	4,13	1.0
7. Personal	116,09	27.1	118,93	27.5
8. Government and quasi-Government bodies	34,60	8.1	32,51	7.5
9. Others	42,77	10.0	45,13	10.4
10. Unclassified*	9,89	2.3	9,83	2.3
Total of I	427,66	100.0	431,80	100.0
II. Savings deposits of				
11. Business	1,79	1.3	1,73	1.2
12. Personal	131,47	96.2	132,70	96.2
13. Others	3,41	2.5	3,52	2.6
Total of II	136,67	100.0	137,95	100.0
III. Time deposits of				
14. Trading concerns	40,84	16.3	45,23	17.3
15. Financial concerns	16,14	6.5	11,28	4.3
16. Other business deposits	8,20	3.3	9,08	3.5
17. Personal	135,02	54.0	138,45	53.1
18. Government and quasi-Government bodies	27,17	10.9	33,99	13.0
19. Others	21,30	8.5	21,61	8.3
20. Unclassified*	1,36	0.5	1,31	0.5
Total of III	250,03	100.0	260,95	100.0
Grand Total	814,35		830,70	

* Accounts of less than Rs. 500.

MENT 15

BANKS IN INDIA, 1953

of Deposits)

(Amount in lakhs of rupees)

BANKS		NON-SCHEDULED BANKS †					
December 31, 1953		December 31, 1952		June 30, 1953		December 31, 1953	
86		161		157		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
44,50	10.7	29	3.1	30	3.4	48	4.0
104,62	25.1	2,14	23.0	1,77	20.4	2,00	16.8
9,48	2.3	12	1.3	9	1.1	8	0.7
3,54	0.8	3	0.3	2	0.2	3	0.3
7,25	1.7	35	3.8	30	3.5	54	4.5
49,24	11.8	75	8.1	52	6.0	92	7.7
27,88	6.7	37	4.0	22	2.5	54	4.5
10,43	2.5	6	0.6	9	1.0	12	1.0
5,89	1.4	10	1.1	12	1.4	11	0.9
5,05	1.2	22	2.4	10	1.1	15	1.3
112,96	27.1	3,05	32.8	3,02	34.9	2,56	21.5
30,10	7.2	75	8.1	88	10.1	3,52	29.6
46,49	11.1	1,08	11.6	1,01	11.7	1,13	9.5
9,39	2.2	74	8.0	74	8.6	63	5.3
417,57	100.0	9,29	100.0	8,65	100.0	11,88	100.0
1,90	1.4	47	6.7	45	6.8	42	4.3
133,31	96.0	6,06	86.7	5,78	87.2	8,80	90.3
3,61	2.6	46	6.6	40	6.1	53	5.4
138,82	100.0	6,99	100.0	6,63	100.0	9,75	100.0
47,58	17.8	4,01	14.5	3,24	12.1	3,62	11.7
9,24	3.5	83	3.0	55	2.1	92	3.0
10,09	3.8	92	3.3	49	1.8	39	1.3
141,07	52.9	18,13	65.5	17,69	66.2	19,99	64.5
34,57	13.0	1,16	4.2	2,56	9.6	3,55	11.5
22,70	8.5	1,65	6.0	1,34	5.0	1,66	5.4
1,43	0.5	96	3.5	87	3.3	87	2.8
266,68	100.0	27,67	100.0	26,75	100.0	30,99	100.0
823,08		43,95		42,03		52,62	

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

STATE OWNERSHIP OF DEPOSITS

(By Types)

Number of banking companies		SCHEDULED			
		December 31, 1952		June 30, 1953	
		89		87	
		Amount	Percentage to total deposits	Amount	Percentage to total deposits
1		2	3	4	5
I. Business deposits					
(1) Manufacturing concerns ..		42,88	5.3	45,85	5.5
(2) Trading concerns		153,77	18.9	155,34	17.7
(3) Public utility (e.g. transport and communications, gas, electricity, etc.) concerns		8,77	1.1	7,36	0.9
(4) Mining concerns		4,05	0.5	4,22	0.5
(5) Plantation concerns		5,66	0.7	5,31	0.6
(6) Financial concerns		66,15	8.1	63,82	7.7
(7) Others		8,20	1.0	9,08	1.1
Total business deposits* ..		291,27	35.8	292,72	35.2
II. Personal deposits		382,59	47.0	390,08	47.0
III. Govt. and quasi-Govt. bodies ..		61,77	7.6	66,50	8.0
IV. Others		67,48	8.3	70,26	8.5
V. Unclassified deposits (Below Rs. 500/-)		11,25	1.4	11,14	1.3
Grand Total ..		814,35	100.0	830,70	100.0

* Include savings deposits for which breakdowns are not available.

MENT 16**OF BANKS IN INDIA, 1953***of Depositors)*

(Amount in lakhs of rupees)

BANKS		NON-SCHEDULED BANKS†					
December 31, 1953		December 31, 1952		June 30, 1953		December 31, 1953	
86		161		157		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
44,50	5.4	29	0.7	30	0.7	48	0.9
152,20	18.5	6,15	14.0	5.01	11.9	5,62	10.7
9,48	1.2	12	0.3	9	0.2	8	0.2
3,54	0.4	3	0.1	2	—	3	0.1
7,25	0.9	35	0.8	30	0.7	54	1.0
58,48	7.1	1,58	3.6	1,07	2.5	1,84	3.6
10,09	1.2	92	2.1	49	1.2	39	0.7
287,45	34.9	9,91	22.5	7,73	18.4	9,39	17.8
387,34	47.1	27,25	62.0	26,49	63.0	31,35	59.6
64,67	7.9	1,91	4.3	3,44	8.2	7,07	13.4
72,80	8.8	3,18	7.2	2,75	6.5	3,32	6.3
10,82	1.3	1,71	3.9	1,61	3.8	1,50	2.9
823,08	100.0	43,95	100.0	42,03	100.0	52,62	100.0

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

STATEMENT 17

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES
ACCORDING TO THE RATIO OF THEIR INVESTMENTS IN GOV-
ERNMENT 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			
	1952		1953		1952		1953		1952		1953	
	Num- ber	Percent- age to total	Num- ber	Percent- age to total	Num- ber	Percent- age to total	Num- ber	Percent- age to total	Num- ber	Percent- age to total	Num- ber	Percent- age to total
	1	2	3	4	5	6	7	8	9	10	11	12
Below 1 ..	5	5	2	2	101	24	82	20	106	21	84	17
From 1 to 10 ..	7	8	4	5	94	22	78	19	101	20	82	16
From 11 to 20 ..	18	20	20	23	96	23	110	27	114	22	130	26
From 21 to 30 ..	13	14	12	14	68	16	66	16	81	16	78	15
From 31 to 40 ..	18	20	19	21	20	5	32	8	38	7	51	10
From 41 to 50 ..	18	20	19	21	13	3	15	4	31	6	34	7
From 51 to 80 ..	8	9	10	11	21	5	20	5	29	6	30	6
81 and above	5	5	3	3	12	3	12	3	17	3	15	3
Total ..	92		89		425		415		517		504	

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)

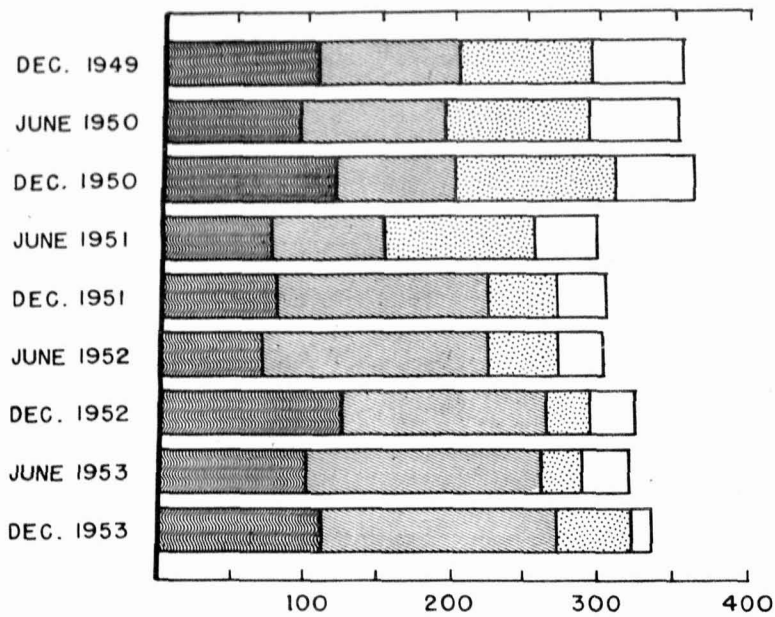
Percentage of advances to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1952		1953		1952		1953		1952		1953	
	Percent- Num- age to ber total		Percent- Num- age to ber total		Percent- Num- age to ber total		Percent- Num- age to ber total		Percent- Num- age to ber total		Percent- Num- age to ber total	
	1	2	3	4	5	6	7	8	9	10	11	12
Less than 31 ..	1	1	—	—	11	3	12	3	12	2	12	2
From 31 to 50 ..	12	13	12	14	14	3	12	3	26	5	24	5
From 51 to 70 ..	44	48	42	47	50	12	54	13	94	18	96	19
From 71 to 100 ..	22	24	21	24	164	39	153	37	186	36	174	35
Above 100 ..	13	14	14	16	186	44	184	44	199	38	198	39
Total ..	92		89		425		415		517		504	

GRAPH 8

MATURITY DISTRIBUTION OF INVESTMENTS IN GOVERNMENT SECURITIES

(Crores of Rupees)

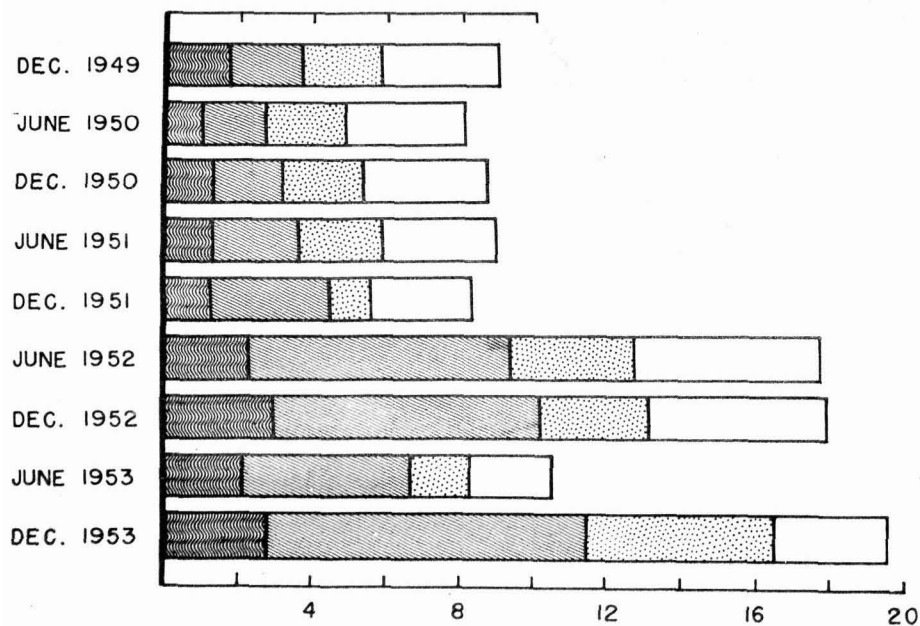
SCHEDULED BANKS



Maturing

- Within 5 Years
- Between 5 & 10 Years
- Between 10 & 15 Years
- After 15 Years

NON - SCHEDULED BANKS



STATEMENT 19

INVESTMENTS OF BANKS IN GOVERNMENT SECURITIES, 1953

(Amount in lakhs of rupees)

		SCHEDULED BANKS				NON-SCHEDULED BANKS*			
		December 31, 1952		June 30, 1953		December 31, 1952		June 30, 1953	
		88	86	87	87	157	144	163	163
		Per-	Per-	Per-	Per-	Per-	Per-	Per-	Per-
		cent-	cent-	cent-	cent-	cent-	cent-	cent-	cent-
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
		to	to	to	to	to	to	to	to
		total	total	total	total	total	total	total	total
		88	86	87	87	157	144	163	163
		2	3	4	5	6	7	8	9
		10	11	12	13	14	15	16	17
		18	19	20	21	22	23	24	25
		26	27	28	29	30	31	32	33
		34	35	36	37	38	39	40	41
		42	43	44	45	46	47	48	49
		50	51	52	53	54	55	56	57
		58	59	60	61	62	63	64	65
		66	67	68	69	70	71	72	73
		74	75	76	77	78	79	80	81
		82	83	84	85	86	87	88	89
		90	91	92	93	94	95	96	97
		98	99	100	101	102	103	104	105
		106	107	108	109	110	111	112	113
		114	115	116	117	118	119	120	121
		122	123	124	125	126	127	128	129
		130	131	132	133	134	135	136	137
		138	139	140	141	142	143	144	145
		146	147	148	149	150	151	152	153
		154	155	156	157	158	159	160	161
		162	163	164	165	166	167	168	169
		170	171	172	173	174	175	176	177
		178	179	180	181	182	183	184	185
		186	187	188	189	190	191	192	193
		194	195	196	197	198	199	200	201
		202	203	204	205	206	207	208	209
		210	211	212	213	214	215	216	217
		218	219	220	221	222	223	224	225
		226	227	228	229	230	231	232	233
		234	235	236	237	238	239	240	241
		242	243	244	245	246	247	248	249
		250	251	252	253	254	255	256	257
		258	259	260	261	262	263	264	265
		266	267	268	269	270	271	272	273
		274	275	276	277	278	279	280	281
		282	283	284	285	286	287	288	289
		290	291	292	293	294	295	296	297
		298	299	300	301	302	303	304	305
		306	307	308	309	310	311	312	313
		314	315	316	317	318	319	320	321
		322	323	324	325	326	327	328	329
		330	331	332	333	334	335	336	337
		338	339	340	341	342	343	344	345
		346	347	348	349	350	351	352	353
		354	355	356	357	358	359	360	361
		362	363	364	365	366	367	368	369
		370	371	372	373	374	375	376	377
		378	379	380	381	382	383	384	385
		386	387	388	389	390	391	392	393
		394	395	396	397	398	399	400	401
		402	403	404	405	406	407	408	409
		410	411	412	413	414	415	416	417
		418	419	420	421	422	423	424	425
		426	427	428	429	430	431	432	433
		434	435	436	437	438	439	440	441
		442	443	444	445	446	447	448	449
		450	451	452	453	454	455	456	457
		458	459	460	461	462	463	464	465
		466	467	468	469	470	471	472	473
		474	475	476	477	478	479	480	481
		482	483	484	485	486	487	488	489
		490	491	492	493	494	495	496	497
		498	499	500	501	502	503	504	505
		506	507	508	509	510	511	512	513
		514	515	516	517	518	519	520	521
		522	523	524	525	526	527	528	529
		530	531	532	533	534	535	536	537
		538	539	540	541	542	543	544	545
		546	547	548	549	550	551	552	553
		554	555	556	557	558	559	560	561
		562	563	564	565	566	567	568	569
		570	571	572	573	574	575	576	577
		578	579	580	581	582	583	584	585
		586	587	588	589	590	591	592	593
		594	595	596	597	598	599	600	601
		602	603	604	605	606	607	608	609
		610	611	612	613	614	615	616	617
		618	619	620	621	622	623	624	625
		626	627	628	629	630	631	632	633
		634	635	636	637	638	639	640	641
		642	643	644	645	646	647	648	649
		650	651	652	653	654	655	656	657
		658	659	660	661	662	663	664	665
		666	667	668	669	670	671	672	673
		674	675	676	677	678	679	680	681
		682	683	684	685	686	687	688	689
		690	691	692	693	694	695	696	697
		698	699	700	701	702	703	704	705
		706	707	708	709	710	711	712	713
		714	715	716	717	718	719	720	721
		722	723	724	725	726	727	728	729
		730	731	732	733	734	735	736	737
		738	739	740	741	742	743	744	745
		746	747	748	749	750	751	752	753
		754	755	756	757	758	759	760	761
		762	763	764	765	766	767	768	769
		770	771	772	773	774	775	776	777
		778	779	780	781	782	783	784	785
		786	787	788	789	790	791	792	793
		794	795	796	797	798	799	800	801
		802	803	804	805	806	807	808	809
		810	811	812	813	814	815	816	817
		818	819	820	821	822	823	824	825
		826	827	828	829	830	831	832	833
		834	835	836	837	838	839	840	841
		842	843	844	845	846	847	848	849
		850	851	852	853	854	855	856	857
		858	859	860	861	862	863	864	865
		866	867	868	869	870	871	872	873
		874	875	876	877	878	879	880	881
		882	883	884	885	886	887	888	889
		890	891	892	893	894	895	896	897
		898	899	900	901	902	903	904	905
		906	907	908	909	910	911	912	913
		914	915	916	917	918	919	920	921
		922	923	924	925	926	927	928	929
		930	931	932	933	934	935	936	937
		938	939	940	941	942	943	944	945
		946	947	948	949	950	951	952	953
		954	955	956	957	958	959	960	961
		962	963	964	965	966	967	968	969
		970	971	972	973	974	975	976	977
		978	979	980	981	982	983	984	985
		986	987	988	989	990	991	992	993
		994	995	996	997	998	99		

STATE ANALYSIS OF INVESTMENTS

Number of banking companies	SCHEDULED					
	December 31, 1952			June 30, 1953		
	88			86		
	Amount	Per- centage to group total	Per- centage to total invest- ments	Amount	Per- centage to group total	Per- centage to total invest- ments
1	2	3	4	5	6	7
A. Government Securities:						
(i) Central Government	2,92,15	89.3	76.9	2,89,01	90.0	78.0
(ii) State Governments	34,57	10.6	9.1	31,75	9.8	8.6
(iii) Others, mainly postal†	30	0.1	0.1	30	0.1	0.1
Total of A	3,27,02	100.0	86.1	3,21,06	100.0	86.7
B. Other Investments in India:						
(i) Other trustee securities	8,85	31.0	2.3	9,14	32.8	2.5
(ii) Fixed deposits	2,39	8.4	0.6	62	2.2	0.2
(iii) Shares of joint stock companies ..	7,35	25.8	1.9	7,44	26.7	2.0
(iv) Debentures of joint stock compa- nies	3,61	12.6	1.0	4,13	14.8	1.1
(v) Real estate	5,99	21.0	1.6	6,15	22.1	1.7
(vi) Bullion	2	—	—	3	—	—
(vii) Others	31	1.1	0.1	38	1.4	0.1
Total of B	28,52	100.0	7.5	27,88	100.0	7.5
C. Foreign Investments:						
(i) In Pakistan	11,81	48.9	3.1	8,01	37.0	2.2
(ii) In the United Kingdom	5,28	21.9	1.4	5,20	24.0	1.4
(iii) In other countries	7,06	29.2	1.9	8,46	39.0	2.3
Total of C	24,15	100.0	6.4	21,67	100.0	5.8
Total of A, B and C	3,79,69		100.0	3,70,61		100.0

† Include Treasury Savings Deposit Certificates and investments in 3 per cent Bhopal Loan, 1966-76.

MENT 20**OF BANKS, 1953**

(Amount in lakhs of rupees)

BANKS			NON-SCHEDULED BANKS*								
December 31, 1953			December 31, 1952			June 30, 1953			December 31, 1953		
87			157			144			163		
Amount	Per- centage to group total	Per- centage to total invest- ments	Amount	Per- centage to group total	Per- centage to total invest- ments	Amount	Per- centage to group total	Per- centage to total invest- ments	Amount	Per- centage to group total	Per- centage to total invest- ments
8	9	10	11	12	13	14	15	16	17	18	19
3,00,53	89.0	76.9	13,60	75.8	61.6	6,36	60.6	45.9	13,00	66.5	54.1
36,91	10.9	9.4	3,78	21.1	17.1	3,60	34.3	26.0	5,97	30.5	24.8
30	0.1	0.1	56	3.1	2.5	54	5.1	3.9	59	3.0	2.5
3,37,75	100.0	86.4	17,94	100.0	81.2	10,50	100.0	75.8	19,56	100.0	81.4
10,39	35.6	2.7	82	21.6	3.7	76	25.9	5.5	1,35	33.0	5.6
56	1.9	0.1	70	18.4	3.2	67	22.9	4.8	53	13.0	2.2
7,25	24.9	1.9	84	22.1	3.8	48	16.4	3.5	93	22.7	3.9
3,83	13.1	1.0	39	10.3	1.8	19	6.5	1.4	29	7.1	1.2
6,68	22.9	1.7	93	24.5	4.2	76	25.9	5.5	89	21.8	3.7
3	0.1	—	5	1.3	0.2	—	—	—	2	0.5	0.1
42	1.4	0.1	7	1.8	0.3	7	2.4	0.5	8	2.0	0.3
29,16	100.0	7.5	3,80	100.0	17.2	2,93	100.0	21.1	4,09	100.0	17.0
8,66	36.1	2.2	34	97.1	1.5	41	97.6	3.0	38	100.0	1.6
6,51	27.1	1.7	1	2.9	0.1	1	2.4	0.1	—	—	—
8,85	36.8	2.3	—	—	—	—	—	—	—	—	—
24,02	100.0	6.1	35	100.0	1.6	42	100.0	3.1	38	100.0	1.6
3,90,92		100.0	22,09		100.0	13,85		100.0	24,03		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 ..	68	20,45	41,37	11,54	6,91	28,72	4,17	5,86
February ..	68	19,40	43,62	11,56	9,33	33,96	3,41	6,95
March ..	67	21,30	45,69	11,50	10,80	38,86	4,91	8,22
April ..	69	21,76	47,42	9,50	9,94	40,04	9,28	12,56
May ..	72	21,61	43,41	9,20	9,04	36,93	18,13	16,80
June ..	73	20,73	40,71	9,40	7,52	31,76	20,24	15,30
July ..	72	22,18	38,58	8,68	4,86	25,28	17,70	11,87
August ..	73	24,71	37,33	8,04	3,53	20,08	14,41	9,24
September ..	73	25,85	35,48	8,49	2,66	15,27	10,85	7,25
October ..	70	25,96	32,90	9,30	3,07	9,88	8,53	5,36
November ..	74	24,39	32,31	9,74	3,63	7,13	7,68	4,64
December ..	73	24,73	35,55	10,09	4,12	8,61	8,36	5,73
B. EXCHANGE								
January ..	13	5,47	11,21	7,71	—	85	7	31
February ..	13	5,53	11,44	8,10	—	95	7	31
March ..	13	5,46	13,38	8,84	—	1,04	8	40
April ..	13	5,82	16,32	8,39	—	1,11	11	25
May ..	14	6,16	13,05	8,20	—	1,13	11	36
June ..	14	5,85	12,46	9,22	—	92	12	24
July ..	14	5,92	11,57	8,97	—	74	11	29
August ..	14	6,17	10,13	9,03	—	46	10	43
September ..	14	6,34	8,98	10,05	—	33	10	41
October ..	14	6,81	7,48	10,21	—	24	9	43
November ..	14	5,85	8,43	9,51	—	68	10	36
December ..	14	6,22	9,97	9,19	—	29	10	48
C. ALL SCHE								
January ..	81	25,92	52,58	19,25	6,91	29,57	4,25	6,18
February ..	81	24,93	55,06	19,66	9,33	34,92	3,49	7,26
March ..	80	26,76	59,06	20,34	10,80	39,90	5,00	8,61
April ..	82	27,59	63,74	17,88	9,94	41,15	9,39	12,81
May ..	86	27,67	57,06	17,40	9,04	38,06	18,24	17,16
June ..	87	26,58	53,16	18,62	7,52	32,68	20,36	15,54
July ..	86	28,11	50,15	17,65	4,86	26,01	17,81	12,16
August ..	87	30,88	47,46	17,07	3,53	20,54	14,51	9,66
September ..	87	32,20	44,46	18,54	2,66	15,60	10,95	7,66
October ..	84	32,77	40,38	19,51	3,07	10,12	8,62	5,79
November ..	88	30,24	40,74	19,25	3,63	7,81	7,78	5,00
December ..	87	30,95	45,52	19,28	4,12	8,90	8,46	6,21

MENT 21

PRINCIPAL COMMODITIES AND BULLION, 1953

(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)	Com-posite Advances	Total of 3 to 15	Total Advances*
10	11	12	13	14	15	16	17
DULED BANKS							
53	54	3,57	34	1,02	1,41	126,43	318,60
60	66	4,04	49	1,12	1,39	136,52	322,95
71	1,01	3,80	83	89	1,34	149,84	330,86
73	1,08	2,88	39	74	1,43	157,74	328,70
88	1,11	1,84	41	74	1,72	161,74	333,14
93	1,05	99	32	51	2,02	151,48	320,29
86	81	49	42	82	2,71	135,26	305,04
76	76	27	30	43	2,00	121,86	296,36
66	79	38	29	66	1,98	110,63	289,19
62	64	30	39	43	1,95	99,33	282,70
54	53	82	34	53	1,83	94,11	285,57
57	67	3,11	37	65	1,85	104,41	292,81
BANKS							
4	23	62	12	33	86	27,89	121,04
3	33	74	12	41	29	28,33	118,73
4	51	68	12	47	29	31,30	123,08
4	19	74	12	39	49	33,97	118,97
7	27	67	13	17	66	31,57	119,85
6	13	68	12	12	54	30,47	119,01
9	8	51	14	10	39	28,91	117,29
8	9	57	13	24	46	27,89	115,37
7	10	61	14	39	29	27,80	114,13
8	17	57	13	45	29	26,95	112,54
27	12	55	13	45	12	26,57	109,75
28	14	55	14	54	13	28,03	108,92
DULED BANKS							
57	82	4,19	46	1,35	2,27	154,31	439,64
63	99	4,79	61	1,52	1,68	164,85	441,68
75	1,52	4,48	95	1,35	1,63	181,15	453,94
77	1,27	3,62	51	1,12	1,92	191,71	447,67
95	1,39	2,51	54	91	2,38	193,31	452,99
1,00	1,18	1,67	45	63	2,56	181,95	439,30
95	89	1,00	56	92	3,10	164,16	422,33
84	84	84	43	67	2,46	149,74	411,73
73	89	1,00	43	1,04	2,27	138,42	403,32
70	81	87	52	88	2,24	126,28	395,24
81	65	1,37	47	98	1,95	120,68	395,32
85	81	3,66	51	1,19	1,98	132,44	401,73

* 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, 1952			March 31, 1953		
	88			88		
	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.)	47.5	26.6	9.3	54.0	26.5	9.4
2. Jute	14.1	7.9	2.8	13.6	6.7	2.4
3. Other textiles	9.8	5.5	1.9	11.1	5.4	1.9
4. Iron and steel	5.4	3.0	1.1	5.6	2.7	1.0
5. Coal, other mining and quarrying	4.0	2.2	0.8	4.4	2.2	0.8
6. Engineering	17.1	9.6	3.4	15.4	7.5	2.7
7. Sugar	27.5	15.4	5.4	40.9	20.0	7.1
8. Cement	1.0	0.6	0.2	1.5	0.7	0.3
9. Public utilities (e.g., transport, communications, gas, electricity, etc.)	4.9	2.7	1.0	4.2	2.1	0.7
10. Vegetable oil crushing and refining (including Vanaspati, soap, etc.)	6.9	3.9	1.4	9.9	4.9	1.7
11. Chemicals, dyes and paints	9.6	5.4	1.9	9.6	4.7	1.7
12. Others	31.1	17.4	6.1	34.0	16.7	5.9
Total of I	178.8	100.0	35.1	204.1	100.0	35.4
II. Commerce						
13. Wholesale trade	146.4	61.6	28.8	170.1	61.5	29.5
(i) Agricultural commodities	66.8	28.1	13.1	87.4	31.6	15.2
(a) Cotton	27.9	11.7	5.5	32.8	11.9	5.7
(b) Jute	10.9	4.6	2.1	12.1	4.4	2.1
(c) Oilseeds	4.8	2.0	0.9	6.9	2.5	1.2
(d) Sugar	0.9	0.4	0.2	2.7	1.0	0.5
(e) Other agricultural commodities	22.4	9.4	4.4	32.8	11.9	5.7
(ii) Other goods	79.6	33.5	15.7	82.7	29.9	14.4
14. Retail trade	10.9	4.6	2.1	11.8	4.3	2.1
15. Dealers in Government securities, stocks, shares, etc.	13.0	5.5	2.6	13.7	5.0	2.4
16. Dealers in bullion	3.0	1.3	0.6	3.0	1.1	0.5
17. Shroffs	8.8	3.7	1.7	12.0	4.3	2.1
18. Banks and other financial institutions	27.5	11.6	5.4	37.9	13.7	6.6
19. Others	27.9	11.7	5.5	27.9	10.1	4.9
Total of II	237.5	100.0	46.7	276.4	100.0	48.0
III. Agriculture						
20. Foodcrops (wheat, rice, and other cereals, dals, etc.)	0.4	1.9	0.1	0.6	2.9	0.1
21. Other agricultural produce (jute, cotton, tobacco, oilseeds, tea, coffee, etc.)	19.9	94.3	3.9	19.5	92.9	3.4
22. Others	0.8	3.8	0.2	0.9	4.3	0.2
Total of III	21.1	100.0	4.1	21.0	100.0	3.7
IV. 23. Personal and professional	39.6		7.8	41.5		7.2
V. 24. All others	31.8		6.2	33.4		5.8
Total of I to V	508.8		100.0	576.4		100.0

MENT 22

BANKS ACCORDING TO PURPOSE, 1953

(Amount in crores of rupees)

June 30, 1953			September 30, 1953			December 31, 1953		
88			87			87		
Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances
8	9	10	11	12	13	14	15	16
50.8	26.9	9.3	57.0	31.2	11.4	52.7	30.7	10.6
11.9	6.3	2.2	18.0	9.9	3.6	18.2	10.6	3.7
12.5	6.6	2.3	12.4	6.8	2.5	10.8	6.3	2.2
6.0	3.2	1.1	8.3	4.6	1.7	7.0	4.1	1.4
4.4	2.3	0.8	4.9	2.7	1.0	4.4	2.6	0.9
14.6	7.7	2.7	16.0	8.8	3.2	15.7	9.1	3.2
32.7	17.3	6.0	14.5	7.9	2.9	11.1	6.5	2.2
1.7	0.9	0.3	1.7	0.9	0.3	1.2	0.7	0.2
3.8	2.0	0.7	4.5	2.5	0.9	5.6	3.3	1.1
8.7	4.6	1.6	6.5	3.6	1.3	7.8	4.5	1.6
8.4	4.4	1.5	7.8	4.3	1.5	8.3	4.8	1.7
33.5	17.7	6.1	30.8	16.9	6.1	29.1	16.9	5.8
189.0	100.0	34.7	182.4	100.0	36.4	171.8	100.0	34.5
172.7	65.7	31.7	137.9	59.7	27.5	155.2	63.4	31.2
93.8	35.7	17.2	56.3	24.4	11.3	73.4	30.0	14.7
27.6	10.5	5.1	15.5	6.7	3.1	25.8	10.5	5.2
11.7	4.5	2.1	6.9	2.1	1.4	7.4	3.0	1.5
10.7	4.1	2.0	4.8	2.1	1.0	6.9	2.8	1.4
2.6	1.0	0.5	2.5	1.1	0.5	2.6	1.1	0.5
41.2	15.7	7.6	26.7	11.6	5.3	30.7	12.5	6.2
78.9	30.0	14.5	81.6	53.4	16.3	81.8	33.4	16.4
10.9	4.1	2.0	12.1	5.2	2.4	11.8	4.8	2.4
12.8	4.9	2.4	12.8	5.5	2.6	12.8	5.2	2.6
1.9	0.7	0.4	2.2	1.0	0.4	2.8	1.1	0.6
10.9	4.1	2.0	9.7	4.2	1.9	12.6	5.1	2.5
28.4	10.8	5.1	29.3	12.7	5.9	23.6	9.6	4.7
25.0	9.5	4.6	26.7	11.6	5.3	26.0	10.6	5.2
262.7	100.0	48.2	230.8	100.0	46.0	244.7	100.0	49.2
1.0	4.3	0.2	0.7	3.6	0.1	2.3	19.2	0.5
21.2	92.2	3.9	17.7	92.2	3.5	8.9	74.2	1.8
0.8	3.5	0.1	0.8	4.2	0.2	0.8	6.7	0.2
23.0	100.0	4.2	19.1	100.0	3.8	11.9	100.0	2.4
41.0		7.5	41.6		8.3	43.4		8.7
29.3		5.4	27.5		5.5	25.8		5.2
544.9		100.0	501.3		100.0	497.7		100.0

STATE

ANALYSIS OF ADVANCES OF SCHEDULED

Number of reporting banks	December 31, 1952			March 31, 1953		
	88			88		
	Amount	Percent- age to group total	Percent- age to total advances	Amount	Percent- age to group total	Percent- age to total advances
1	2	3	4	5	6	7
I. Secured advances						
1. Government and trustee securities	41.1	9.5	8.1	54.6	11.1	9.5
2. Gold and silver bullion	2.1	0.5	0.4	2.2	0.4	0.4
3. Gold and silver ornaments	11.6	2.7	2.3	11.9	2.4	2.1
4. Shares of joint stock companies, etc.	43.0	10.0	8.5	43.1	8.8	7.5
5. Merchandise	248.6	57.7	48.9	289.1	59.0	50.2
(i) Pledged to the banking company under the banking company's lock and key	98.6	22.9	19.4	123.2	25.2	21.4
(a) Foodgrains	6.2	1.4	1.2	12.3	2.5	2.1
(b) Other agricultural commodities	31.5	7.3	6.2	45.1	9.2	7.8
(c) Non-agricultural commodities	61.0	14.2	12.0	65.8	13.4	11.4
(ii) Hypothecated to the banking company	149.9	34.8	29.5	166.0	33.9	28.8
(a) Foodgrains	4.4	1.0	0.9	2.4	0.5	0.4
(b) Other agricultural commodities	54.7	12.7	10.8	61.6	12.6	10.7
(c) Non-agricultural commodities	90.9	21.1	17.9	102.0	20.8	17.7
6. Real estate	21.1	4.9	4.1	20.8	4.2	3.6
(a) Agricultural land	1.7	0.4	0.3	2.1	0.4	0.4
(b) Other properties	19.4	4.5	3.8	18.7	3.8	3.3
7. Fixed deposits	10.4	2.4	2.0	11.4	2.3	2.0
(a) With the banking company	10.4	2.4	2.0	11.4	2.3	2.0
(b) With other banking companies	—	—	—	—	—	—
8. Other secured advances	52.8	12.3	10.4	56.6	11.6	9.8
Total of I	430.7	100.0	84.6	489.8	100.0	85.0
II. Unsecured advances						
9. Clean advances	78.1		15.4	86.6		15.0
Total of I and II	508.8		100.0	576.4		100.0

MENT 23

BANKS ACCORDING TO SECURITY, 1953

(Amount in crores of rupees)								
June 30, 1953			September 30, 1953			December 31, 1953		
88			87			87		
Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances
8	9	10	11	12	13	14	15	16
42.1	9.0	7.7	42.0	10.1	8.4	42.1	10.1	8.5
1.1	0.2	0.2	1.2	0.3	0.2	1.7	0.4	0.3
11.9	2.5	2.2	12.9	3.1	2.6	13.9	3.3	2.8
42.3	9.1	7.8	41.9	10.1	8.4	43.4	10.4	8.7
288.3	61.7	52.9	235.4	56.5	46.9	229.5	54.8	46.1
127.9	27.4	23.5	91.3	21.9	18.2	93.8	22.4	18.8
22.2	4.8	4.1	9.9	2.4	2.0	10.4	2.5	2.1
46.6	10.0	8.5	28.5	6.8	5.7	34.4	8.2	6.9
59.2	12.7	10.9	52.9	12.7	10.5	49.0	11.7	9.8
160.4	34.3	29.4	144.1	34.6	28.7	135.7	32.4	27.3
2.5	0.5	0.5	1.4	0.3	0.3	3.8	0.9	0.8
63.8	13.7	11.7	52.6	12.6	10.5	47.4	11.3	9.5
94.1	31.2	17.3	90.0	21.6	18.0	84.6	20.2	17.0
20.9	4.5	3.8	20.6	4.9	4.1	20.8	5.0	4.2
2.2	0.5	0.4	2.4	0.6	0.5	2.2	0.5	0.4
18.7	4.0	3.4	18.2	4.4	3.6	18.5	4.4	3.7
11.1	2.4	2.0	10.3	2.5	2.1	10.6	2.5	2.1
11.1	2.4	2.0	10.3	2.5	2.1	8.6	2.1	1.7
—	—	—	—	—	—	2.0	0.5	0.4
49.6	10.6	9.1	52.1	12.5	10.4	56.7	13.5	11.4
467.3	100.0	85.8	416.4	100.0	83.1	418.7	100.0	84.1
77.5		14.2	84.9		16.9	78.9		16.9
544.9		100.0	501.3		100.0	497.7		100.0

STATE

ANALYSIS OF ADVANCES OF NON-

Number of reporting banks.	December 31, 1952			March 31, 1953		
	376			389		
	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.)	1,97	25.9	5.0	1,10	15.2	2.7
2. Jute	36	4.7	0.9	36	5.0	0.9
3. Other textiles	26	3.4	0.7	25	3.5	0.6
4. Iron and steel	30	3.9	0.8	32	4.4	0.8
5. Coal, other mining and quarrying	13	1.7	0.3	24	3.3	0.6
6. Engineering	37	4.9	0.9	46	6.4	1.1
7. Sugar	75	9.9	1.9	81	11.2	2.0
8. Cement	—	—	—	1	—	—
9. Public utilities (i.e. transport and communication, gas, electricity, etc.)	69	9.1	1.8	66	9.1	1.6
10. Vegetable oil crushing and refining (including vanaspati, soap, etc.)	39	5.1	1.0	58	8.0	1.4
11. Chemicals, dyes and paints	8	1.1	0.2	10	1.4	0.3
12. Others	2,30	30.2	5.9	2,35	32.5	5.7
Total of I	7,61	100.0	19.4	7,23	100.0	17.7
II. Commerce						
13. Wholesale trade	6,27	40.1	16.0	7,45	43.4	18.2
(i) Agricultural commodities	2,97	19.0	7.6	3,80	22.1	9.3
(a) Cotton	62	4.0	1.6	70	4.1	1.7
(b) Jute	8	0.5	0.2	7	0.4	0.2
(c) Oilseeds	39	2.5	1.0	40	2.9	1.0
(d) Sugar	2	0.1	0.1	22	1.3	0.6
(e) Other agricultural commodities	1,85	11.8	4.7	2,41	14.0	5.9
(ii) Other goods	3,31	21.2	8.4	3,66	21.3	8.9
14. Retail trade	3,85	24.6	9.8	4,45	25.9	10.9
15. Dealers in Government securities, stocks, shares, etc.	1,36	8.7	3.5	76	4.4	1.9
16. Dealers in bullion	19	1.2	0.5	22	1.3	0.5
17. Shroffs	40	2.6	1.0	30	1.7	0.7
18. Banks and other financial institutions	74	4.7	1.9	85	5.0	2.1
19. Others	2,81	18.0	7.2	3,14	18.3	7.7
Total of II	15,64	100.0	39.8	17,17	100.0	41.9
III. Agriculture						
20. Foodcrops (wheat, rice, and other cereals, dals, etc.)	67	29.6	1.7	71	34.8	1.7
21. Other agricultural produce (jute, cotton, tobacco, oilseeds, tea, coffee, etc.)	58	25.7	1.5	41	20.1	1.0
22. Others	1,01	44.7	2.6	92	45.1	2.3
Total of III	2,26	100.0	6.8	2,04	100.0	5.0
IV. 23. Personal & Professional	10,71		27.3	11,40		27.8
V. 24. All Others	3,06		7.8	3,15		7.7
Total of I to V	39,28		100.0	41,00		100.0

MENT 24

SCHEDULED BANKS ACCORDING TO PURPOSE, 1953

(Amount in lakhs of rupees)

June 30, 1953			September 30, 1953			December 31, 1953		
384			390			370		
Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances
8	9	10	11	12	13	14	15	16
1,03	15.8	2.5	90	15.0	2.3	2,07	29.3	5.5
37	5.7	0.9	37	6.1	0.9	33	4.7	0.9
22	3.3	0.5	26	4.3	0.7	23	3.3	0.6
28	4.3	0.7	30	5.0	0.8	27	3.8	0.7
22	3.3	0.5	15	2.5	0.4	15	2.1	0.4
41	6.3	1.0	40	6.6	1.0	35	5.0	0.9
43	6.6	1.0	39	6.5	1.0	44	6.2	1.2
—	—	—	—	—	—	—	—	—
67	10.3	1.6	62	10.3	1.6	53	7.5	1.4
60	9.2	1.5	47	7.8	1.2	53	7.5	1.4
11	1.7	0.3	10	1.7	0.2	11	1.6	0.3
2,17	33.3	5.3	2,06	34.2	5.2	2,06	29.1	5.4
6,52	100.0	15.9	6,02	100.0	15.3	7,07	100.0	18.7
8,74	48.3	21.3	7,31	44.2	18.5	6,65	43.6	17.6
4,92	27.2	12.0	3,76	22.7	9.5	3,81	25.0	10.1
39	2.2	1.0	27	1.6	0.7	52	3.4	1.4
5	0.3	0.1	6	0.4	0.1	8	0.5	0.2
40	2.2	1.0	21	1.3	0.5	44	2.9	1.2
22	1.2	0.5	23	1.4	0.6	17	1.1	0.5
3,86	21.3	9.4	2,99	18.1	7.6	2,60	17.0	6.9
3,82	21.1	9.3	3,55	21.5	9.0	2,84	18.6	7.5
4,26	23.6	10.4	4,33	26.2	11.0	3,70	24.3	9.8
67	3.7	1.6	62	3.8	1.6	69	4.5	1.8
20	1.1	0.5	21	1.3	0.5	21	1.4	0.5
30	1.7	0.7	34	2.1	0.9	34	2.2	0.9
1,05	5.8	2.6	1,45	8.8	3.7	1,22	8.0	3.2
2,85	15.7	7.0	2,27	13.7	5.8	2,44	16.0	6.4
18,08	100.0	44.2	16,53	100.0	42.0	15,25	100.0	40.3
59	27.8	1.4	59	26.5	1.5	66	30.6	1.7
59	27.8	1.4	67	30.0	1.7	52	24.1	1.4
95	44.8	2.3	97	43.5	2.5	98	45.3	2.6
2,12	100.0	5.2	2,23	100.0	5.7	2,16	100.0	5.7
11,28		27.5	11,03		28.0	10,12		26.7
2,95		7.2	3,58		9.0	3,27		8.6
40,95		100.0	39,39		100.0	37,87		100.0

STATE

ANALYSIS OF ADVANCES OF NON-SCHEDULED

Number of reporting banks	December 31, 1952			March 31, 1953		
	376			389		
	Amount	Per- centage to group total	Per- centage to total advances	Amount	Per- centage to group total	Per- centage to total advances
	2	3	4	5	6	7
I. Secured advances:						
1. Government and trustee securi- ties	16	0.5	0.4	11	0.4	0.3
2. Gold and silver bullion	7	0.2	0.2	7	0.2	0.2
3. Gold and silver ornaments ..	7,03	23.8	17.9	6,79	22.9	16.6
4. Shares of joint stock companies, etc.	1,09	3.7	2.8	1,06	3.6	2.6
5. Merchandise	7,12	24.1	18.1	7,57	25.5	18.5
(i) Pledged to the banking com- pany under the banking company's lock and key ..	4,47	15.1	11.4	4,59	15.5	11.2
(a) Foodgrains	29	1.0	0.7	35	1.2	0.9
(b) Other agricultural com- modities	1,95	6.6	5.0	1,82	6.1	4.4
(c) Non-agricultural com- modities	2,23	7.5	5.7	2,42	8.2	5.9
(ii) Hypothecated to the bank- ing company	2,65	9.0	6.7	2,97	10.0	7.3
(a) Foodgrains	4	0.1	0.1	5	0.2	0.1
(b) Other agricultural com- modities	41	1.4	1.0	58	2.0	1.4
(c) Non-agricultural com- modities	2,20	7.4	5.6	2,35	7.9	5.7
6. Real estate	9,21	31.2	23.4	8,81	29.7	21.5
(i) Agricultural land	1,40	4.7	3.6	1,24	4.2	3.0
(ii) Other properties	7,81	26.4	19.9	7,58	25.6	18.5
7. Fixed deposits	2,62	8.9	6.7	2,78	9.4	6.8
(i) With the banking company.	2,59	8.9	6.6	2,77	9.3	6.8
(ii) With other banking com- panies	3	0.1	0.1	1	—	—
8. Other secured advances ..	2,27	7.7	5.8	2,44	8.2	6.0
Total of I	29,55	100.0	75.2	29,63	100.0	72.3
II. Unsecured advances						
9. Clean advances	9,73		24.8	11,37		27.7
Total of I and II ..	39,28		100.0	41,00		100.0

MENT 25

BANKS ACCORDING TO SECURITY, 1953

(Amount in lakhs of rupees)

June 30, 1953			September 30, 1953			December 31, 1953		
384			390			370		
Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances	Amount	Percentage to group total	Percentage to total advances
8	9	10	11	12	13	14	15	16
31	1.0	0.8	34	1.2	0.9	25	0.9	0.7
8	0.3	0.2	4	0.1	0.1	13	0.4	0.3
6,66	22.0	16.3	7,11	25.1	18.0	6,98	24.0	18.4
1,03	3.4	2.5	95	3.4	2.4	88	3.0	2.3
7,93	26.2	19.4	5,86	20.7	14.9	7,56	26.0	20.0
5,08	16.8	12.4	3,69	13.0	9.3	5,52	19.0	14.6
1,72	5.7	4.2	1,02	3.6	2.6	98	3.4	2.6
1,86	6.1	4.6	1,00	3.5	2.5	3,11	10.7	8.2
1,50	4.9	3.7	1,67	5.9	4.2	1,43	4.9	3.8
2,85	9.4	7.0	2,17	7.7	5.6	2,04	7.0	5.4
4	0.1	0.1	4	0.1	0.1	5	0.2	0.1
92	3.0	2.2	77	2.7	2.0	58	2.0	1.5
1,89	6.2	4.6	1,36	4.8	3.5	1,40	4.8	3.7
9,02	29.8	22.0	8,78	31.0	22.3	8,37	28.8	22.1
1,37	4.5	3.4	1,44	5.1	3.7	1,36	4.7	3.6
7,65	25.2	18.7	7,33	25.9	18.6	7,01	24.1	18.5
2,68	8.8	6.5	2,61	9.2	6.6	2,47	8.5	6.5
2,66	8.8	6.5	2,60	9.2	6.6	2,46	8.5	6.5
2	0.1	0.1	1	—	—	1	—	—
2,60	8.6	6.3	2,63	9.3	6.7	2,41	8.3	6.4
30,31	100.0	74.0	28,32	100.0	71.9	29,05	100.0	76.7
10,65		26.0	11,07		28.1	8,82		23.3
40,95		100.0	39,39		100.0	37,87		100.0

STATE INTEREST† CHARGED BY SCHEDULED

					Major Scheduled					
					Dec. 31, 1952		March 31, 1953		June 30, 1953	
					H	L	H	L	H	L
I. Secured advances										
1. Government and trustee securities	6	3½	6	3	5	3
2. Gold and silver bullion	7½	4	7½	3½	6	4
3. Gold and silver ornaments	7½	4½	7	6	7	6
4. Shares of joint stock companies, etc.	6½	4½	6½	4½	6½	4½
5. Merchandise										
(i) Pledged to the banking company under the banking company's lock and key										
(a) Foodgrains	7	5	7	5½	6½	5½
(b) Other agricultural commodities	7	4	7	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	7	3½	7	3½	9	3½
(c) Non-agricultural commodities	7	3½	8	3½	9	3½
6. Real estate										
(i) Agricultural land	7	5	7	5	7½	5
(ii) Other properties	8	3½	8	3½	8	3½
7. Fixed deposits										
(i) With the banking company	5	3	5	3	5	3
(ii) With other banking companies	6	5½	6	4½	6	4½
8. Other secured advances	9	3	9	3½	9	3½
II. Unsecured advances										
9. Clean advances	9	4	9	4	9	4

† The usual rate of interest charged on the majority of accounts.
H=Highest. L=Lowest.

MENT 26

BANKS ON ADVANCES DURING 1953

(Rate per cent per annum)

Banks*				Other Scheduled Banks									
Sept. 30, 1953		Dec. 31, 1953		Dec. 31, 1952		March 31, 1953		June 30, 1953		Sept. 30, 1953		Dec. 31, 1953	
H	L	H	L	H	L	H	L	H	L	H	L	H	L
6	2½	6	3½	9	4	9	4	9	4	9	2½	9	4
6	2½	6	3½	8	5	9	5	9	5	9	3½	9	5
6½	6	7½	6	12	5	12	5	12	5	12	5½	12	5½
7½	4½	7½	4½	9½	5	10½	5	10½	5	10½	4½	10½	5
6½	5	7	5	9	5½	9	5	9	5	9	5	9	6
6½	4	6½	4	9	6	9	6	9	5	9	4	9	5½
7½	5	7	4½	9	6	9	6	9	5	9	4½	9	5
9	3½	9	3½	9	6	9	6	9	6	9	3½	9	6
9	3½	9	3½	9½	5	9	5	9	4½	9	4	9	5
9	3½	9	3½	10	4	10	4	10	4	9½	4½	10	5
7	4½	7	4½	9½	6	9½	3	9½	3	10	3	10	3
8	3½	8	3½	10½	5	10½	4½	10½	4½	10½	3½	10½	4
5	3	5	4	9	2½	8	2½	9	2½	8	2½	8	2½
6	5½	6	3	8	4½	8	3	8	3	6	4	6	5½
9	2	9	3	12	4½	9½	4½	9½	4½	9½	2	10½	4½
9	4	9	4	12	5	12	5	12	5	12	2½	12	2½

* Indian scheduled banks each with advances above Rs. 5 crores and exchange banks.

STATE

DISTRIBUTION BY STATE & BY POPULATION OF OFFICES, DEPO

STATE	Population	Number of banks operating in the State		Offi- ces	1952		1953		
		1952	1953		Per- cen- tage of 5 to total offices	Popula- tion per office	Offi- ces	Per- cen- tage of 8 to total offices	Popula- tion per office
1	2	3	4	5	6	7	8	9	10
GROUP I									
1. Andhra	2,05,08,000	—	9	—	—	—	157	6	1,30,624
2. Assam	90,43,707	4	4	21	1	4,30,653	20	1	4,52,185
3. Bihar	4,02,25,947	11	11	121	5	3,32,446	121	5	3,32,446
4. Bombay	3,59,56,150	52	50	436	17	82,468	431	16	83,425
5. Madhya Pradesh..	2,12,47,533	12	12	138	5	1,53,968	142	5	1,49,631
6. Madras	3,57,34,000	38	38	542	21	65,930	396	15	90,237
7. Orissa	1,46,45,946	5	5	12	—	12,20,496	12	—	12,20,496
8. Punjab	1,26,41,205	20	20	172	7	73,495	174	7	72,651
9. Uttar Pradesh ..	6,32,15,742	24	24	376	14	1,68,127	379	14	1,66,796
10. West Bengal ..	2,48,10,308	34	37	167	6	1,48,565	172	6	1,44,246
Total	27,80,28,538			1,985	76	1,40,065	2,004	75	1,38,737
GROUP II									
11. Hyderabad	1,86,55,108	13	12	76	3	2,45,462	76	3	2,45,462
12. Madhya Bharat ..	79,54,154	8	8	54	2	1,47,299	56	2	1,42,038
13. Mysore	98,49,000	16	17	85	3	1,15,871	94	4	1,04,777
14. PEPSU	34,93,685	3	4	21	1	1,66,366	25	1	1,39,747
15. Rajasthan	1,52,90,797	12	12	116	4	1,31,817	115	4	1,32,963
16. Saurashtra	41,37,359	9	9	52	2	79,565	52	2	79,565
17. Travancore- Cochin	92,80,425	16	18	127	5	73,074	131	5	70,843
Total	6,86,60,528			531	20	1,29,304	549	21	1,25,065
GROUP III									
18. Delhi	17,44,072	27	31	78	3	22,360	85	3	20,518
19. Himachal Pradesh	9,83,367	2	2	4	—	2,45,842	4	—	2,45,842
20. Vindhya Pradesh	35,74,690	3	3	4	—	8,93,673	4	—	8,93,673
21. Others	38,88,199	10	11	17	1	2,28,718	23	1	1,69,052
Total	1,01,90,328			103	4	98,935	116	4	87,848
GROUP IV									
22. Jammu & Kashmir	44,10,000	5	5	8	—	5,51,250	8	—	5,51,250
Grand Total	36,12,89,394			2,627		1,37,529	2,677		1,34,961

Note :—(1) Figures are as on the last Friday of the year and relate to 86 banks in 1952
 (2) Population figures are from the 1951 Census Report ; those for Jammu and

MENT 27

SITS & ADVANCES IN INDIA OF SCHEDULED BANKS, 1952 & 1953

1952			1953			1952			1953		
Deposits (In lakhs of rupees)	Per- cen- tage of 11 to total depo- sits	Per capita depo- sits Rs.	Deposits (In lakhs of rupees)	Per- cen- tage of 14 to total depo- sits	Per capita depo- sits Rs.	Advan- ces (In lakhs of rupees)	Per- cen- tage of 17 to total advan- ces	Per capita advan- ces Rs.	Advan- ces (In lakhs of rupees)	Per- cen- tage of 20 to total advan- ces	Per capita advan- ces Rs.
11	12	13	14	15	16	17	18	19	20	21	22
—	—	—	11,12	1	5.4	—	—	—	8,74	2	4.3
4,58	1	5.1	4,71	1	5.2	1,00	—	1.1	1,16	—	1.3
24,52	3	6.1	24,70	3	6.1	9,10	2	2.3	8,41	2	2.1
2,73,98	33	76.2	2,71,58	33	75.5	1,49,99	31	41.7	1,62,19	34	45.1
14,73	2	6.9	16,64	2	7.8	8,48	2	4.0	9,09	2	4.3
72,51	9	20.3	65,99	8	18.5	54,25	11	15.2	43,51	9	12.2
1,77	—	1.2	1,93	—	1.3	1,64	—	1.1	1,56	—	1.1
39,61	5	31.3	39,85	5	31.5	13,18	3	10.4	11,72	2	9.3
63,48	8	10.0	65,75	8	10.4	38,62	8	6.1	33,56	7	5.3
1,82,95	22	73.7	1,75,82	21	70.9	1,34,11	28	54.1	1,23,27	26	49.7
6,78,13	82	24.4	6,78,09	81	24.4	4,10,37	85	14.8	4,03,21	84	14.5
16,18	2	8.7	16,72	2	9.0	10,94	2	5.9	13,25	3	7.1
11,23	1	14.1	10,53	1	13.2	7,05	1	8.9	8,27	2	10.4
16,39	2	16.6	17,20	2	17.5	9,84	2	10.0	12,36	3	12.5
2,49	—	7.1	2,70	—	7.7	53	—	1.5	1,18	—	3.4
16,46	2	10.8	17,02	2	11.1	15,34	3	10.0	13,92	3	9.1
17,53	2	42.4	18,46	2	44.6	4,28	1	10.3	3,40	1	8.2
14,36	2	15.5	15,77	2	17.0	12,04	2	13.0	11,88	2	12.8
94,64	11	13.8	98,40	12	14.3	60,02	12	8.7	64,26	13	9.4
49,42	6	283.4	48,73	6	279.4	12,99	3	74.5	13,24	3	75.9
34	—	3.5	35	—	3.6	2	—	0.2	2	—	0.2
15	—	0.4	19	—	0.5	4	—	0.1	9	—	0.3
3,15	—	8.1	3,79	—	9.7	65	—	1.7	98	—	2.5
53,06	6	52.1	53,06	6	52.1	13,70	3	13.4	14,33	3	14.1
496	1	11.2	4,91	1	11.1	7	—	0.2	14	—	0.3
8,30,79		23.0	8,34,46		23.1	4,84,16		13.4	4,81,94		13.3

and 85 banks in 1953.

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

STATEMENT 28

ADVANCES OF SELECTED SCHEDULED BANKS AT VARIOUS RATES OF INTEREST, 1953

(Amount in crores of rupees)

Last Friday of Rates of interest	March		June		September		December	
	Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total	Amount	Percentage to total
	1	2	3	4	5	6	7	8
Upto 2%	2.51	1	2.27	1	5.50	2	2.41	1
Above 2% and upto 3%	5.47	1	9.37	2	5.64	2	6.31	2
Above 3% and upto 4%	153.05	40	125.30	34	121.40	36	117.41	36
Above 4% and upto 5%	155.19	40	149.42	40	139.60	41	137.27	42
Above 5% and upto 6%	52.49	14	64.97	17	49.76	15	49.44	15
Above 6% and upto 7%	12.84	3	17.22	5	12.35	3	11.56	3
Over 7%	4.87	1	4.81	1	4.62	1	4.44	1
A. TOTAL	386.42	100	373.36	100	338.87	100	328.84	100
B. Total advances of all scheduled banks as shown in the returns in Form XIII* ..	485.23		470.43		432.41		426.84	
Percentage of A to B ..	80		79		78		77	

Note :—Figures relate to 15 selected scheduled banks.

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

DISTRIBUTION OF ADVANCES OF SCHEDULED BANKS

BY PURPOSE AND BY SECURITY

as at December 31, 1953

(Percentages)

PURPOSE

Sugar 2

Engineering 3

Other Textiles 2

Cotton 11

INDUSTRY 35 %

Jute 4

AGRICULTURE 2 %

PERSONAL AND PROFESSIONAL 9 %

ALL OTHERS 5 %

Banks and other Financial Institutions 5

Shroffs 3

Dealers in Govt. Securities 3

Retail Trade 2

Wholesale Trade 31

COMMERCE 49 %

SECURITY

SECURED 84 %

Merchandise 46

Real Estate 4

Fixed Deposits 2

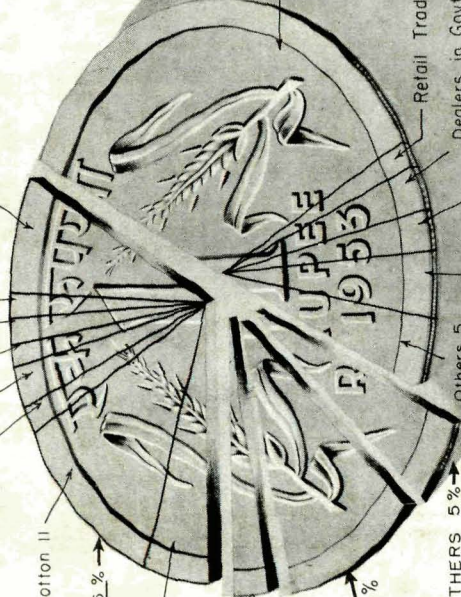
Others 11

Govt. and Trustee Securities 9

Gold and Silver ornaments 3

UN-SECURED 16 %

Shares of Jt. Stock Companies 9



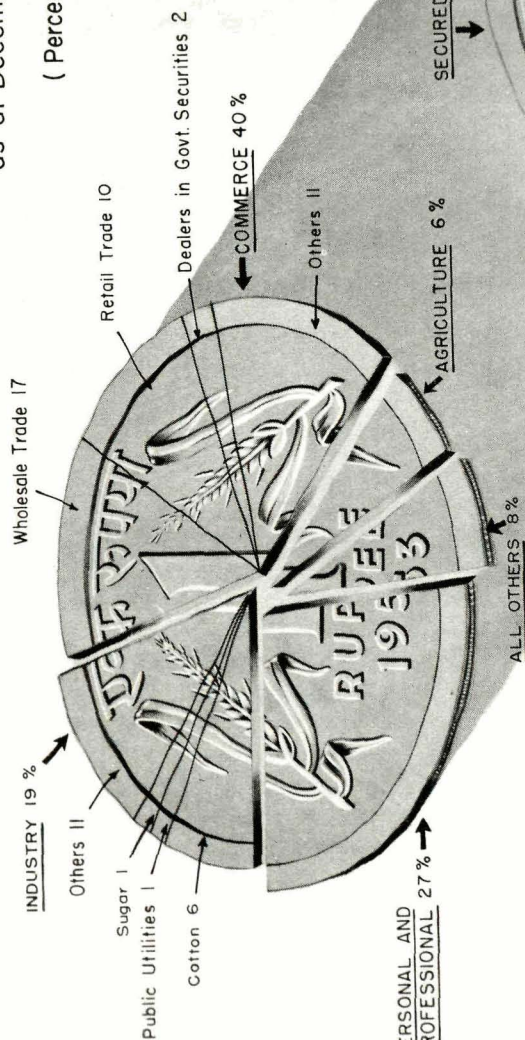
GRAPH 10

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

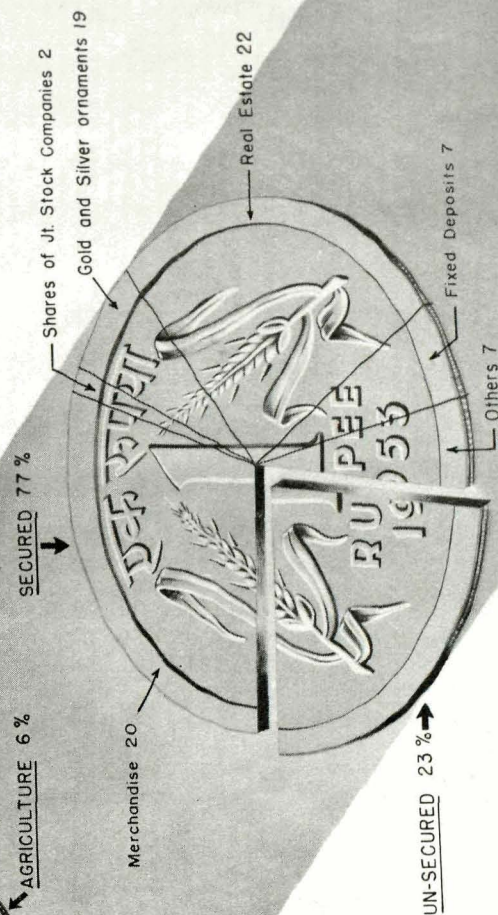
as at December 31, 1953

(Percentages)

PURPOSE

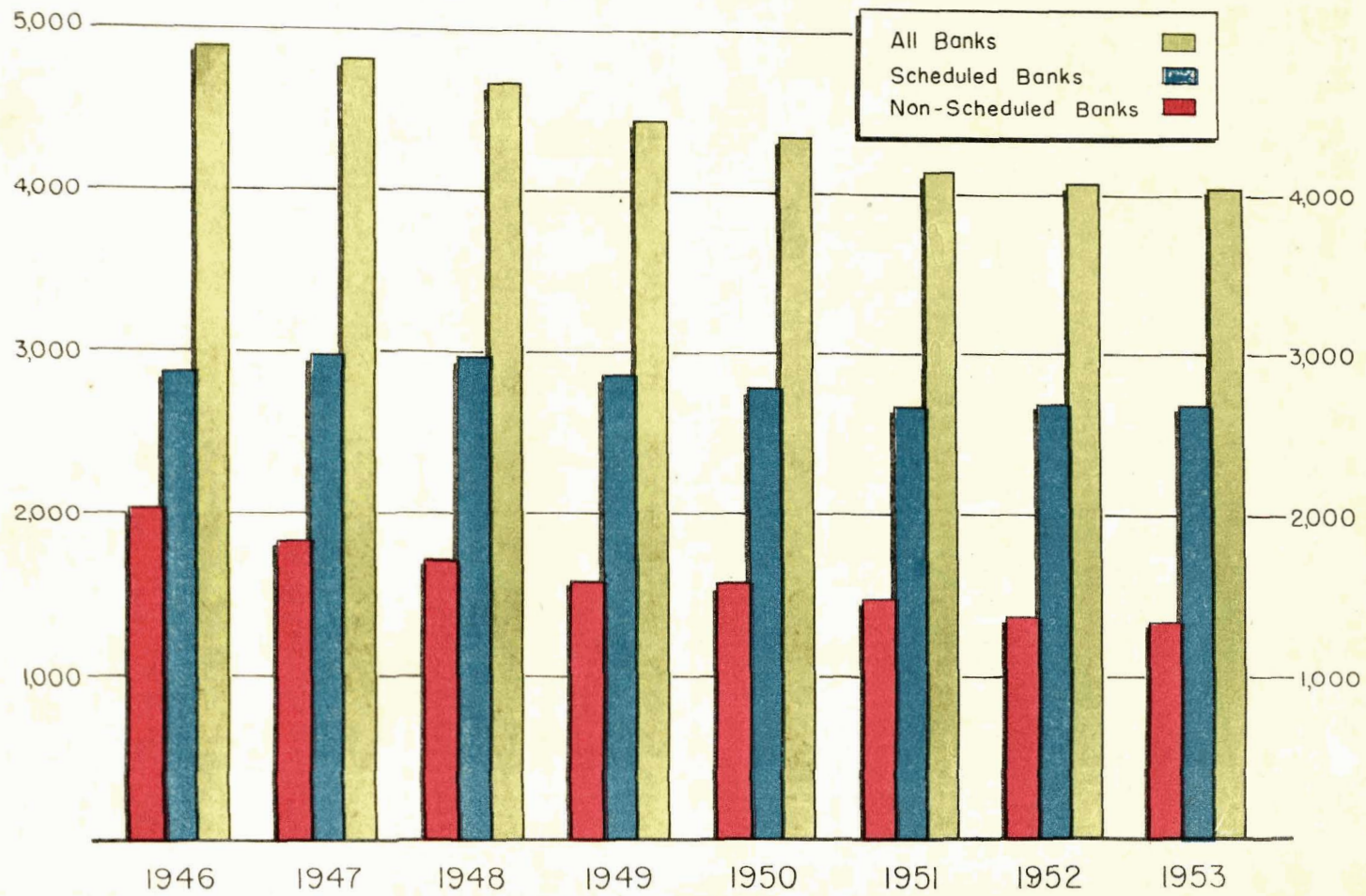


SECURITY



GRAPH II

OFFICES OF BANKING COMPANIES In India



STATEMENT 29
ADVANCES OF NON-SCHEDULED BANKS (SAMPLE) AT VARIOUS
RATES OF INTEREST, 1953

(Amount in lakhs of rupees)					
Rate of interest	Last day of	September		December	
		Amount	Percentage to total	Amount	Percentage to total
Upto 1%	39	2	34	2
Above 1% and upto 2%	35	2	37	2
Above 2% and upto 3%	1,76	8	86	4
Above 3% and upto 4%	93	4	77	4
Above 4% and upto 5%	2,24	11	3,48	17
Above 5% and upto 6%	4,67	22	4,91	24
Above 6% and upto 7%	1,15	6	1,25	6
Above 7% and upto 8%	1,75	8	1,55	8
Above 8% and upto 9%	4,46	21	4,34	21
Above 9%	3,24	15	2,64	13
A. Total	20,94	100	20,51	100
B. Total advances of all reporting non-scheduled banks as shown in the returns in Form XIII*					
		40,09		38,71	
Percentage of A to B	52		53	

Note:—Figures relate to 107 banks in September and 99 banks in December.

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

STATEMENT 30
OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS, 1938-1953

SCHEDULED BANKS						
End of	Imperial Bank of India	Exchange banks	Other scheduled banks	Total	Non-scheduled banks	All banks
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	2,205	2,692	1,344	4,036

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, 1952 and 1953 are based on the returns in Form IX submitted under the Banking Companies Act, 1949.

† Revised.

STATE REGIONAL DISTRIBUTION OF OFFICES

STATE	Number of offices opened during 1953				Number of offices closed during 1953				
	Exchange banks	Other sche- duled banks	Non- sche- duled banks	Total	Exchange banks	Other sche- duled banks	Non- sche- duled banks	Total	
	1	2	3	4	5	6	7	8	9
GROUP I									
Andhra	—	7	—	7	—	1	—	1	
Assam	—	1	—	1	—	3	6	9	
Bihar	—	3	—	3	—	3	—	3	
Bombay	1	15	—	16	1	20	13	34	
Madhya Pradesh ..	—	6	—	6	—	—	—	—	
Madras	—	17	1	18	—	3	23	26	
Orissa	—	—	—	—	—	—	1	1	
Punjab	—	5	1	6	—	5	3	8	
Uttar Pradesh ..	—	9	—	9	—	6	2	8	
West Bengal ..	1	3	—	4	—	—	4	4	
Total ..	2	66	2	70	1	41	52	94	
GROUP II									
Hyderabad	—	4	—	4	—	4	—	4	
Madhya Bharat ..	—	2	—	2	—	—	—	—	
Mysore	—	2	—	2	—	—	1	1	
PEPSU	—	5	3	8	—	—	3	3	
Rajasthan	—	1	—	1	—	1	—	1	
Saurashtra	—	—	1	1	—	—	—	—	
Travancore-Cochin ..	1	—	—	1	—	—	19	19	
Total ..	1	14	4	19	—	5	23	28	
GROUP III									
Ajmer	—	1	—	1	—	—	—	—	
Bhopal	—	—	—	—	—	—	—	—	
Coorg	—	—	—	—	—	—	—	—	
Cutch	—	3	—	3	—	—	—	—	
Delhi	—	5	—	5	—	—	1	1	
Himachal Pradesh ..	—	—	—	—	—	—	—	—	
Manipur	—	—	—	—	—	—	1	1	
Tripura	—	—	—	—	—	—	—	—	
Vindhya Pradesh ..	—	1	—	1	—	—	—	—	
Total ..	—	10	—	10	—	—	2	2	
GRAND TOTAL ..	3	90	6	99	1	46	77	124	

Number of reporting banking companies

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

MENT 31

IN INDIA OF BANKING COMPANIES

Net increase (+) or decrease (—) during 1953				Number of offices as on December 31, 1953			
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
—	+ 6	—	+ 6	—	156	23	179
—	— 2	— 6	— 8	—	20	22	42
—	—	—	—	—	126	25	151
—	— 5	— 13	— 18	15	415	132	562
—	+ 6	—	+ 6	—	144	13	157
—	+ 14	— 22	— 8	12	385	343	740
—	—	— 1	— 1	—	12	4	16
—	—	— 2	— 2	4	181	34	219
—	+ 3	— 2	+ 1	2	375	46	423
+ 1	+ 3	— 4	—	20	157	62	239
+ 1	+ 25	— 50	— 24	53	1,971	704	2,728
—	—	—	—	—	76	12	88
—	+ 2	—	+ 2	—	55	5	60
—	+ 2	— 1	+ 1	1	93	35	129
—	+ 5	—	+ 5	—	25	44	69
—	—	—	—	—	116	9	125
—	—	+ 1	+ 1	—	51	16	67
+ 1	—	— 19	— 18	1	131	492	624
+ 1	+ 9	— 19	— 9	2	547	613	1,162
—	+ 1	—	+ 1	—	10	2	12
—	—	—	—	—	3	2	5
—	—	—	—	—	4	1	5
—	+ 3	—	+ 3	—	5	—	5
—	+ 5	— 1	+ 4	10	78	11	99
—	—	—	—	—	2	5	7
—	—	— 1	— 1	—	—	1	1
—	—	—	—	—	2	5	7
—	+ 1	—	+ 1	—	5	—	5
—	+ 10	— 2	+ 8	10	109	27	146
+ 2	+ 44	— 71	— 25	65	2,627	1,344	4,036
				14	76	447	537

under the Banking Companies Act, 1949, and relate to their offices in the whole of India

STATE

DISTRIBUTION OF BANKING OFFICES BY POPULATION

STATE	P O P U					
	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	4	4	—	—	12	14
Assam	1	1	1	1	1	2
Bihar	5	5	5	6	5	8
Bombay	1	1	20	21	43	48
Madhya Pradesh ..	3	3	2	2	—	—
Madras	16	16	23	27	51	74
Orissa	3	3	—	—	—	—
Punjab	4	4	16	22	18	27
Uttar Pradesh ..	3	4	15	18	14	19
West Bengal ..	3	3	1	2	3	3
Total ..	43	44	83	99	147	195
GROUP II						
Hyderabad	1	1	2	2	5	5
Madhya Bharat ..	4	5	1	1	5	6
Mysore	4	4	4	4	6	8
PEPSU	—	—	11	12	10	15
Rajasthan	3	3	6	6	13	14
Saurashtra	—	—	—	—	4	4
Travancore-Cochin ..	47	54	34	64	35	92
Total ..	59	67	58	89	78	144
GROUP III						
Ajmer	1	1	—	—	1	1
Bhopal	—	—	—	—	—	—
Coorg	—	—	2	2	1	1
Cutch	2	2	—	—	—	—
Delhi	—	—	—	—	—	—
Himachal Pradesh ..	—	—	4	4	2	3
Manipur	—	—	—	—	—	—
Tripura	—	—	3	3	—	—
Vindhya Pradesh ..	—	—	1	1	—	—
Total ..	3	3	10	10	4	5
GRAND TOTAL ..	105	114	151	198	229	344

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 Form IX their offices in the whole of Indian Union except the State of Jammu and

MENT 32**IN THE SEVERAL STATES AT THE END OF 1953****L A T I O N**

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
39	61	13	36	8	37	4	27	80	179
7	13	4	19	1	6	—	—	15	42
18	33	13	32	6	23	5	44	57	151
50	84	26	60	14	69	10	279	164	562
30	51	13	39	5	20	3	42	56	157
72	161	31	116	11	88	9	258	213	740
3	5	1	1	1	2	1	5	9	16
23	49	10	33	6	20	4	64	81	219
53	90	26	65	14	56	14	171	139	423
14	16	9	28	10	20	3	167	43	239
309	563	146	429	76	341	53	1,057	857	2,728
23	29	6	8	7	15	3	28	47	88
10	17	2	3	1	3	3	25	26	60
14	27	6	19	2	16	3	51	39	129
14	22	4	12	1	8	—	—	40	69
28	38	11	22	3	10	3	32	67	125
6	7	8	23	2	7	3	26	23	67
42	168	6	45	5	109	3	92	172	624
137	308	43	132	21	168	18	254	414	1,162
—	—	—	—	1	3	1	7	4	12
1	2	—	—	—	—	1	3	2	5
1	2	—	—	—	—	—	—	4	5
—	—	2	3	—	—	—	—	4	5
—	—	—	—	—	—	1	99	1	99
—	—	—	—	—	—	—	—	6	7
—	—	—	—	—	—	1	1	1	1
—	—	1	4	—	—	—	—	4	7
2	2	1	2	—	—	—	—	4	5
4	6	4	9	1	3	4	110	30	146
450	877	193	570	98	512	75	1,421	1,301	4,036

submitted by banking companies under the Banking Companies Act, 1949, and relate to Kashmir and Chandernagore.

STATEMENT 33

REGIONAL DISTRIBUTION OF THE NUMBER OF PLACES IN INDIA AT WHICH BANKING COMPANIES WERE GRANTED OR REFUSED PERMISSION TO OPEN OFFICES DURING 1953

State 1	No. of places in res- pect of which per- mission was granted 2	No. of places in res- pect of which per- mission was refused 3
GROUP I		
Andhra	3	—
Assam	2	—
Bihar	6 (1)	—
Bombay	21 (1)	2
Madhya Pradesh	8 (1)	—
Madras	34 (9)	16 (1)
Orissa	1 (1)	—
Punjab	11 (2)	—
Uttar Pradesh	12 (2)	1 (1)
West Bengal	4 (1)	2
GROUP II		
Hyderabad	3	—
Madhya Bharat	2	—
Mysore	3	3
PEPSU	6	—
Rajasthan	2	—
Travancore-Cochin	1	7
GROUP III		
Ajmer	1 (1)	—
Bhopal	1	—
Delhi	7	1
Kutch	1 (1)	—
Vindhya Pradesh	1	—
Total	130 (20)	32 (2)

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

STATEMENT 34

OFFICES OF INDIAN BANKS OUTSIDE INDIA

Country 1	1951		1952		1953	
	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
British East Africa	—	—	—	—	2	4
Burma	5	8	5	8	5	8
Ceylon	3	3	3	3	3	3
French India*	2	3	2	3	2	3
Hongkong	—	—	1	1	1	1
Japan	1	2	1	2	1	2
Malaya	4	12	4	12	4	12
Pakistan	39	100	37	96	29	67
Thailand	1	2	1	1	1	1
United Kingdom	2	2	2	2	4	4
Total	132	128	128	106		

* Excluding Chandernagore.

STATEMENT 35

CHEQUE CLEARANCES AND NUMBER OF CHEQUES CLEARED, 1951-53

Centres 1	1951		1952		1953	
	Number of Cheques 2	Amount in lakhs of Rs. 3	Number of Cheques 4	Amount in lakhs of Rs. 5	Number of Cheques 6	Amount in lakhs of Rs. 7
Bombay ..	1,05,94,122	3,180,57	1,06,41,941	2,679,52	1,14,83,214	2,645,05
Calcutta ..	69,90,404	3,118,84	70,45,124	2,703,95	72,31,758	2,494,36
Delhi..	13,53,102	167,58	14,90,451	157,95	18,14,364	176,22
Kanpur ..	6,11,395	145,18	7,01,571	136,94	8,19,155	146,47
Madras ..	33,16,325	487,07	35,26,942	432,57	35,80,841	397,63
Bangalore*	7,35,228	83,42	7,55,883	78,99	8,11,302	89,25
Others** ..	44,46,495	695,33	48,72,140	6,63,48	54,58,322	654,27
Total ..	2,80,47,071	7,877,99	2,90,34,052	6,853,40	3,11,98,956	6,603,25

* The management of the clearing house at Bangalore was taken over by the Reserve Bank of India on October 1, 1953.

** Include the clearing houses at Agra; Ahmedabad; Allahabad; Alleppey; Amritsar; Bareilly (from April 1951); Coimbatore; Dehra Dun; Gaya; Hyderabad-Dccan; Jaipur (from April 1952); Jullunder City; Kozhikode (Calicut); Lucknow; Mangalore; Mathurai (Madura); Muzaffarpur; Nagpur; New Delhi; Patna; Poona; Rajkot and Simla.

STATEMENT 36

VELOCITY OF CIRCULATION OF DEPOSIT MONEY

(Amount in crores of rupees)

	Average demand liabilities of scheduled banks		Total cheque clearances		Ratio of 2 to 1	
	1	2	3			
Annual						
1949 ..	609.7	6,325.4	10.4			
1950 ..	594.3	6,278.2	10.6			
1951 ..	604.1	7,878.0	13.0			
1952 ..	556.9	6,853.4	12.3			
1953 ..	528.5	6,603.3	12.5			
Monthly* 1953						
January ..	526.2	552.1	12.6			
February ..	526.0	523.4	11.9			
March ..	530.2	615.3	13.9			
April ..	541.8	586.1	13.0			
May ..	529.2	543.2	12.3			
June ..	527.2	534.7	12.2			
July ..	532.4	571.9	12.9			
August ..	527.3	484.8	11.0			
September ..	525.5	526.4	12.0			
October ..	527.0	504.6	11.5			
November ..	525.9	534.2	12.2			
December ..	523.7	626.5	14.4			

* The monthly ratios are expressed at annual rates.

STATEMENT 37

LIABILITIES AND ASSETS OF COMMERCIAL BANKS IN SELECTED COUNTRIES

(Amount in millions of national currency)

Country	End of	Deposits				Total	Cash balances	Percentage of 7 to 6	Investments	Percentage of 9 to 6	Loans and advances including bills discounted	Percentage of 11 to 6	
		Demand		Others									
		Amount	Percentage of 2 to 6	Amount	Percentage of 4 to 6								
		1	2	3	4								5
Australia (£A)	..	1952	930	81.1	217	18.9	1,147	79	6.9	216	18.8	638	55.6
(Major Private Banks) (a)	..	1953	1,044	80.9	246	19.1	1,290	83	6.4	236	18.3	665	51.6
Canada (\$C)	..	1952	3,242	33.9	6,328	66.1	9,570	899	9.4	3,955	41.3	3,878	40.5
(Chartered Banks)	..	1953	3,180	31.4	6,960	68.6	10,140	888	8.8	3,831	37.8	4,591	45.3
France (Francs)	..	1952	870,504	96.4	32,043	3.6	902,547	51,155	5.7	806,922	89.4
(4 Large Banks)	..	1953(j)	924,602	95.7	41,196	4.3	965,798	46,003	4.8	879,130	91.0
India (Rs.)	..	1952	5,305	62.6	3,171	37.4	8,475	785	9.3	3,232	38.1	4,850(i)	57.2
(Scheduled Banks)	..	1953	5,163	60.9	3,319	39.1	8,482	767	9.0	3,360	39.6	4,738(i)	55.9
Japan (Yen)	..	1952	455,098	23.3	1502,064	76.7	1957,162	282,039(d)	14.4	212,896	10.9	1753,872(i)	89.6
(11 Big Banks, and Local Banks)	..	1953	484,431	20.1	1931,193	79.9	2415,624	304,421(d)	12.6	295,601	12.2	2200,492(i)	91.1
New Zealand (£NZ)	..	1952	186	74.4	64	25.6	250	86	34.4	13	5.2	142	56.8
(Trading Banks)	..	1953	221	80.1	56	20.3	276	105	38.0	20	7.2	137	49.6
Pakistan (Pak Rs.)	..	1952	1,129	80.6	271	19.4	1,400	151	10.8	792	56.6
(Scheduled Banks)	..	1953	1,240	77.8	353	22.2	1,593	137	8.6	781	49.0
Union of South Africa (£SA)	..	1952	329	83.5	65	16.5	394	80(e)	20.3	138	35.0	184	46.7
(Commercial Banks)	..	1953	409	63(e)	15.4	211	51.6
United Kingdom (£)	..	1952	4,232	65.5	2,228	34.5	6,460	549	8.5	3,330	51.5	2,344(i)	36.3
(London Clearing Banks)	..	1953	4,327	64.6	2,368	35.4	6,694	542	8.1	3,613	54.0	2,287(i)	34.2
United States of America (\$)	..	1952	131,174	75.9	41,757	24.1	172,931	44,666(f)	25.8	77,461	44.8	64,163	37.1
(All Commercial Banks)	..	1953(k)	115,870(b)	66.2	59,270(c)	33.8	175,140	43,310(f)	24.7	78,140	44.6	68,260	39.0
Western Germany (DM)	..	1952	13,390	1,703	12.7	667(g)	5.0	11,616	86.8
(Commercial Banks)	..	1953	16,666	1,816	10.9	1,238(g)	7.4	14,450	86.7

(a) Average of weekly figures in December excepting the fourth weeks. (b) Exclude inter-bank deposits. (c) Include demand and time inter-bank deposits. (d) Include bills and cheques. (e) Include gold coin, bullion, notes of Reserve Bank and balances with National Finance Corporation. (f) Include cash in vault, reserves with Federal Reserve Banks, balances with domestic banks, balances with foreign banks and cash items in process of collection. (g) Include Treasury bills and non-interest bearing Treasury bonds of the Federal Republic and the Lands and securities and syndicate participations. (i) Include money at call and short notice. (j) As at the end of October, 1953. (k) Preliminary.

STATEMENT 38

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

1. Classification of companies into banking and non-banking companies (section 5 (1) (b) and (c))

	1949	1950	1951	1952	1953	Total
(i) Number of cases reported	72	23	73	40	27	235
(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	189
(iv) Number of companies taking suitable action or under consideration	27	20	36	28	37	

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	118
(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	44
(iv) Number of companies granted exemption ..	—	—	4	—	—	4
(v) Number of companies taking suitable action..	—	8	24	42	31	

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	

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	92
(ii) Number of companies which regularised their position or were exempted	29	21	4	6	6	66
(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	5
(v) Number of companies which were under consideration or were taking steps to regularise their position	13	15	11	16	19	

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.

5. Minimum capital requirements (section 11)

(i) Number of applications received for issue of additional capital	19	36	49	40	32	176
(ii) Number of applications recommended for the issue of additional capital	14	24	54	31	17	140
(iii) Number of applications recommended for rejection	—	—	5	16	14	35
(iv) Number of applications pending and under consideration	5	17	7	—	1	—
(v) Number of companies which raised the capital to the proscribed level	—	—	14	26	2	42

STATEMENT 38—Contd.

	1949	1950	1951	1952	1953	Total
(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	72
6. Regulation of capital and restrictions on voting rights (section 12)						
<i>Sub-sections (i) and (ii)</i>						
(i) Number of companies contravening the section	11	1	4	2	26	44
(ii) Number of companies which complied with the provisions of the section or were exempted ..	1	3	3	1	13	21
(iii) Number of companies converted into non-banking companies or wound-up	—	—	1	1	2	4
(iv) Number of companies taking steps to comply with the provisions	10	8	8	8	19	
<i>Sub-sections (iii) and (iv)</i>						
(i) Number of companies which amended the articles of association	—	23	3	1	2	29
(ii) Number of companies considering action ..	—	36	36	36	33	
7. Prohibition of interlocking directorates (section 16)						
(i) Number of companies contravening the section	25	27	6	7	1	66
(ii) Number of companies which complied with the provisions of the section	17	20	4	4	2	47
(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	
* 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.						
8. Restrictions on the nature of subsidiary companies or on holding shares of other companies (section 19)						
<i>Sub-section (1)</i>						
(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
<i>Sub-section (2)</i>						
(i) Number of companies reported to have contravened the section	34	6	20	8	9	77
(ii) Number of companies whose cases came up for re-consideration	—	6	5	7	4	22
(iii) Number of companies which regularised the holdings	11	7	15	8	7	48
(iv) Number of companies allowed time to regularise the holdings	7	9	2	4	4	26
(v) Number of companies exempted	—	3	1	6	2	12
(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	
<i>Sub-section (3)</i>						
(i) Number of cases reported	—	5	1	3	4	13
(ii) Number of companies exempted	—	5	—	—	—	5
(iii) Number of companies taking action ..	—	—	1	—	—	

APPENDIX II

NOTIFICATIONS

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

1. No. F. 4 (1)-F.I./53 dated January 15, 1953

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949), the Central Government on the recommendations of the Reserve Bank of India hereby declares that the provisions of clause (i) of section 12 of the said Act shall not apply, until August 14, 1957, to the Oriental Bank of Commerce Ltd., Delhi.

2. No. 4 (183)-F.I./52 dated March 11, 1953

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 in the case of the undernoted banking companies, the provisions of section 11 of the said Act shall not apply for a period of one year from March 16, 1953 :—

1. Engandiyoor Banking and Vyapara Co., Ltd.
2. Indian Relief Bank Ltd.
3. Tirukkattupalli Bank Ltd.
4. Vasudeva Vilasam Bank Ltd.
5. Purnea Banking Corporation Ltd.
6. Banthia Bank Ltd.
7. New Citizen Bank of India Ltd.
8. Prabartak Bank Ltd.
9. Prabhakara Bank Ltd.
10. Cochin Commercial Bank Ltd.
11. Oriental Bank of Commerce Ltd.
12. National Trust Bank Ltd.
13. Bank of Konkan Ltd.
14. Cochin Union Bank Ltd.
15. Morvi Mercantile Bank Ltd.
16. Ambat Bank Ltd.

3. No. F. 4 (65)-F.I./53 dated March 30, 1953

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, until April 1, 1954, to the Vysya Bank Ltd., Bangalore City, in respect of the shares of the Mysore Agricultural and Allied Industries Ltd., Shimoga (Mysore), held by it on February 9, 1951.

4. No. F. 4 (183)-F.I./52 dated April 15, 1953

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 for a period of one year with effect from March 16, 1953.

1. Cochin Nayar Bank Ltd.
2. Dharmapuri Taluka Kadagathur Sree Ananda Bank Ltd.
3. Bank and Stores Ltd., Bihar.

5. No. F. 4 (82)-F.I./53 dated April 24, 1953

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 (i) of section 12 of the said Act shall not apply,

- (i) upto August 14, 1953 to the Commercial Bank Ltd., Kottayam,
- (ii) upto September 30, 1953 to the Kerala National Bank Ltd., and
- (iii) upto March 31, 1954 to the Martandam Commercial Bank Ltd., Martandam and the Bank of New India Ltd., Trivandrum.

6. No. F. 4 (69)-F.I./53 dated May 1, 1953

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 24 of the said Act, in so far as they relate to its liabilities in 'old fund,' shall not apply to the Tripura Modern Bank, Limited.

7. No. F. 4 (212)-F.I./52 dated May 15, 1953

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 in the case of a 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 until April 1, 1954, in so far as such provisions require it to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount in excess of ten per cent of the total of its demand and time liabilities in India.

8. No. F. 4 (86)-F.I./53 dated May 19, 1953

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 (1) of section 12 of the said Act shall not apply upto March 31, 1954, to the Anthraper Bank Ltd., Shertallay.

9. No. F. 4 (121)-F.I./51 dated May 20, 1953

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. F.4(121)-F.I./51, dated May 10, 1952, 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 June 9, 1953, in so far as they—

- (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.

10. No. F. 4 (101)-F.I./53 dated May 25, 1953

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 12(i) of the said Act shall not apply until December 31, 1953, to the Bank of Kerala Ltd., Trivandrum.

11. No. 4 (90)-F.I./52 dated June 6, 1953

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 sections 18 and 24 of the said Act shall not apply until April 30, 1954, to the Agricultural Bank of Garhwal, Ltd., Narendra Nagar.

12. No. F. 4 (110)-F.I./53 dated June 8, 1953

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 December 31, 1952, together with the auditor's report in a newspaper, namely:—

1. Vasudevavilasam Bank Ltd., Perintalmanna.
2. Malankara Bank Ltd., Tiruvalla.
3. Kannivadi Bank Ltd., Dindigul.
4. Bank of Travancore Ltd., Trivandrum.
5. Prabhatha Tharaka Bank Ltd., Kuravilangad.
6. South Travancore Bank Ltd., Neyyoor.

7. Oriental Bankers Ltd., Munnar.
8. Kamalodayam Bank Ltd., Ponkunnam.
9. Bari Doab Bank Ltd., Hoshiarpur.
10. Ajodhia Bank Ltd., Faizabad.

13. No. F. 4 (97)-F.I./52 dated June 22, 1952.

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 December 31, 1953, apply to the Hongkong and Shanghai Banking Corporation, Calcutta, in respect of its holding of the shares of the Sun Jute Press, Limited.

14. No. F. 4 (110)-F.I./53 dated June 26, 1953

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 December 31, 1952, together with the auditor's report in a newspaper, namely :—

1. Bank of Delhi Ltd., Delhi.
2. Madras City Bank Ltd., Coimbatore.
3. Sree Vardhana Bank Ltd., Kottayam.
4. Mandya Bank Ltd., Mandya.
5. Dooars Union Bank Ltd., Mal, Jalpaiguri.

15. No. F. 4 (110)-F.I./53 dated July 6, 1953

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 December 31, 1952, together with the auditor's report in a newspaper, namely :—

1. Pioneer National Bank Ltd., Kidangoor.
2. Shree Laxmi Bank Ltd., Hangal.
3. Chittattukara Catholic Bank Ltd., Chittattukara.

16. No. F. 4 (129)-F.I./53 dated August 10, 1953

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 Bengal Credit Bank Ltd., Calcutta, for a period upto and including March 15, 1954.

17. No. F. 4 (142)-F.I./53 dated September 8, 1953

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 sections 18 and 24 of the said Act, in so far as they relate to the liabilities in the 'Closed Fund,' shall not apply to the Trinity Bank Ltd., Tiruchirapalli.

18. No. F. 4 (144)-F.I./53 dated September 22, 1953

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 sections 18 and 24 of the said Act, in so far as they relate to the liabilities of a banking company in the 'Closed Fund,' shall not apply to the Gauhati Bank Ltd., Gauhati, and the Commercial Bank Ltd., Kolhapur.

19. No. F. 4 (175)-F.I./52 dated October 29, 1953

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 note (f) appended to Form A in the Third Schedule to the said Act shall not apply, until January 1, 1956, to a banking company which, when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the Property and Assets side of the said form exceeds the market value of the investments under that sub-head, shows separately within brackets the market value of the investments under that sub-head.

20. No. F. 4 (175)-F.I./52 dated November 4, 1953

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 17 of the said Act shall not apply to any banking company in so far as the said provisions have the effect of preventing appropriation from the reserve fund maintained in terms of the said section for the purposes of writing off the amount of losses on its investments in Government securities before declaring a dividend out of its net profits for the calendar year 1953.

21. No. F. 4 (175)-F.I./53 dated November 9, 1953

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 till December 31, 1955, to the Traders' Bank Ltd. in so far as such provisions relate to the holding of shares by the said banking company in the Electrical Fan and Motor Manufacturing Co. Ltd., and in the City Bank of Lahore Ltd. (in liquidation).

22. No. F. 4 (174)-F.I./53 dated November 16, 1953

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (X of 1949) and in supersession of clause (h) of the notification of the

Government of India, Ministry of Finance (Department of Economic Affairs), No. F. 4 (59)-F.I./51 (S.R.O. 1528), dated September 27, 1951, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (1) of section 22 of the said Act shall not apply to a banking company—

- (a) which has been incorporated in a Part 'B' State ;
- (b) which till September 27, 1951, carried on banking business in a Part 'B' State ; and
- (c) which applied to the Reserve Bank for a licence under sub-section (1) of section 22 of the said Act on or before March 31, 1952

until the date on which such banking company is granted a licence under sub-section (2) of that section or is by notice in writing informed by the Reserve Bank that a licence cannot be granted to it.

APPENDIX III

PRESS COMMUNIQUE

I. Dated April 1, 1953

The Reserve Bank of India has been appointed sole banker of the Government of Hyderabad from April 1, 1953. An agreement to this effect has been executed on March 31, 1953 between the Government of Hyderabad and the Reserve Bank. The latter will accordingly conduct the banking, remittance and exchange business of the State Government, receive and keep in deposit its cash balances and also manage the public debt of the State including issues of new loans. The agreement provides for certain transitional arrangements designed to minimise dislocation. It will be recalled that similar agreements have already been entered into by the Reserve Bank with the Governments of Travancore-Cochin, Madhya Bharat and Mysore.

Also with effect from April 1, the Hyderabad State Bank becomes, by virtue of a separate agreement, the agent of the Reserve Bank in the State of Hyderabad, the first to be so appointed in a Part 'B' State. This arrangement is in conformity with one of the recommendations made by the Rural Banking Enquiry Committee. The Hyderabad State Bank will, on behalf of the Reserve Bank, transact the banking business of the Government of Hyderabad, and also of the Central Government (including transactions pertaining to Railways), within the territorial limits of the State. The terms of agency follow broadly, though not wholly, the pattern of the existing arrangements between the Reserve Bank and the Imperial Bank of India, which enable the latter to function as the Reserve Bank's agent in Part 'A' and Part 'C' States. As with the Imperial Bank, the Reserve Bank has established currency chests and small coin depots at the various offices and branches of the Hyderabad State Bank where Government cash business is transacted. In the same connection, the Government of Hyderabad has agreed to appoint, in exercise of its powers under the Hyderabad State Bank Act, a representative of the Central Government and another of the Reserve Bank as Directors on the Board of the Hyderabad State Bank.

2. Dated October 6, 1953

The Planning Commission have assigned an important role to the private sector in the implementation of the National Plan. Investment in this sector has not, however, reached the level envisaged in the Commission's Report. The Taxation Enquiry Commission is investigating the effects of the structure and level of taxation of income on capital formation and on maintenance and development of productive enterprise. There are, however, other factors which influence investment in the private sector. With the approval of the Government, the Reserve Bank have decided to appoint a Committee to examine how increased finance could be made available to this sector through sources other than those which are under the consideration of the Taxation Enquiry Commission. In particular, the Committee will examine the possibility of providing on a larger scale bank finance for development in the private sector.

The Committee will consist of—

- (1) Mr. A. D. Shroff, Director, Tata Sons Ltd., Bombay (*Chairman*).
- (2) Mr. J. V. Joshi, Executive Director, Reserve Bank of India, Bombay.

- (3) Mr. S. Anantharamakrishnan, Member, Local Board, Reserve Bank of India, Madras.
- (4) Mr. C. W. Middleton, Secretary and Treasurer, Imperial Bank of India, Bombay.
- (5) Mr. B. T. Thakur, General Manager, United Commercial Bank Ltd., Calcutta.
- (6) Mr. V. R. Sonalkar, Managing Director, Industrial Finance Corporation of India, New Delhi.
- (7) Mr. B. K. Dutt, General Manager, United Bank of India Ltd., Calcutta.
- Mr. M. S. Nadkarni, Department of Banking Development,
Reserve Bank of India, Bombay.
- Dr. K. S. Krishnaswamy, Department of Research and Statistics,
Reserve Bank of India, Bombay.

} *Joint
Secretaries.*

3. Dated October 29, 1953

In a press note issued by the Reserve Bank on December 24, 1952, it was mentioned that the Government of Mysore had appointed the Reserve Bank as their sole banker with effect from January 1, 1953. It was further indicated that it had been agreed in principle that the Bank of Mysore would be appointed as the Reserve Bank's agent in the Mysore State as soon as certain preliminary arrangements were made. These have since been completed, and a separate agreement has been executed between the Rajpramukh of Mysore, the Reserve Bank and the Bank of Mysore on October 28, 1953, whereby the Bank of Mysore becomes the agent of the Reserve Bank in the Mysore State with effect from November 1, 1953.

To start with, the Bank of Mysore will perform the agency functions at Mysore, Shimoga and Mandya and at these centres it will, on behalf of the Reserve Bank, transact the banking business of the Government of Mysore and also of the Central Government, including transactions pertaining to Railways. The Bank of Mysore will also provide necessary exchange and remittance facilities to the banks and the public at these centres. The agreement provides for the Bank of Mysore performing similar agency functions at such other centres in Mysore State as may hereafter be decided upon by the Reserve Bank in consultation with the Government of Mysore.

In implementation of one of the terms of the agency, a representative of the Central Government and another of the Reserve Bank will be nominated as Directors on the Board of the Bank of Mysore with effect from November 1, 1953.

The Bank of Mysore is the second bank in a Part 'B' State to be appointed as the Reserve Bank's agent, the first being the Hyderabad State Bank which has been functioning in that capacity in the Hyderabad State since April 1, 1953.

4. Dated December 24, 1953

Under an agreement executed on December 23, 1953, the Reserve Bank of India has been appointed as sole banker of the Government of Saurashtra as from January 1, 1954. The agreement is on the same lines as those already executed between the Reserve Bank and the Governments of Hyderabad, Mysore, Madhya Bharat and Travancore-Cochin.

In accordance with the terms of the agreement, the Reserve Bank will conduct the banking, remittance and exchange business of the Government of Saurashtra, receive and keep in deposit their cash balances, manage their public debt, issue their new loans, if any, and when need arises, grant them ways and means advances. The Reserve Bank will consider the question of the appointment of the State Bank of Saurashtra as its agent in the State in due course. For the interim period, certain transitional arrangements have been made in order to avoid dislocation of the existing banking and treasury arrangements in the State. Thus, the Imperial Bank of India which is at present conducting treasury work at Rajkot on behalf of the State Government will, on the commencement of the agreement, function as the Reserve Bank's agent at that centre. At other centres in the State, the treasury work will, for the present, continue to be conducted by the State Government departmentally or by the State Bank of Saurashtra under existing arrangements between the Bank and the State Government. On the commencement of the agreement the Reserve Bank will establish currency chests in the treasury at Junagadh and sub-treasuries at Limbdi and Veraval. The local banks and the public at these centres will be able to avail themselves of remittance facilities in terms of the Reserve Bank's Remittance Facilities Scheme with effect from February 1, 1954. Similarly, it is also proposed to establish a currency chest at the District treasury at Surendranagar as early as possible.

SELECTED CIRCULARS ISSUED TO BANKING COMPANIES

5. DBO. No. Bom. 1076/C.234-53 dated February 23, 1953

Exemption from sections 12 and 24 of the Banking Companies Act

Please refer to our circular letter DBO. No. 5741/C.234-51 dated October 24, 1951, enclosing a copy of the Government of India Notification No. S.R.O. 1528 dated September 27, 1951, exempting the banking companies incorporated in and confining their activities to Part B States from certain provisions of the Banking Companies Act, 1949. The exemption granted in respect of sections 12 and 24 of the Act is due to expire on April 1, 1953; the attention of the banking companies is, therefore, drawn to the following :—

Section 12

(i) Such of the banking companies as do not have their capital structure in conformity with the provisions of sub-sections (i) and (ii) of section 12, should take necessary steps so as to comply with the requirements of the aforesaid sub-sections before April 1, 1953, under advice to us.

(ii) If the voting rights conferred upon the shareholders by a banking company's Articles of Association are not in conformity with the provisions of sub-sections (iii) and (iv) of section 12, the exercise of voting rights after March 31, 1953, according to the existing clauses of the Articles of Association, including those which confer on a show of hands only one vote on a shareholder irrespective of the number or paid-up value of the shares held by him, would prevent the banking company from being entitled to carry on business. The banking companies concerned may, therefore, take such action as they may consider necessary in the matter under advice to us. It may be added that while it is not obligatory for banking companies to amend the clauses in their Articles of Association which are inconsistent with the provisions of the Banking Companies Act, if, in practice, any banking company contravenes the provisions of the Act, the penalties prescribed by section 46(4) *ibid* will be applicable.

Note : The provisions of section 12 do not apply to banking companies incorporated before January 15, 1937.

Section 24

Section 24 of the Banking Companies Act, 1949, requires that every banking company shall maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount which shall not at the close of business on any day be less than twenty per cent of the total of its demand and time liabilities in India. The banking companies will, therefore, have to take steps to ensure compliance with the provisions of the section as from April 1, 1953. They will also have to submit a monthly return in Form X appended to the Banking Companies Rules, 1949. The first return should give particulars as at the close of business on all the Fridays of April 1953 or, if any Friday is a public holiday under the Negotiable Instruments Act, 1881, as at the close of business on the preceding working day, and should be submitted not later than May 15, 1953, to the Department of Banking Operations, Reserve Bank of India, Central Office, Bombay. We may add for your information that the general exemption granted to all banking companies in terms of the Government of India Notification No. S.R.O. 852 dated May 10, 1952 (appended to our circular DBO. No. 3351/C.234-52 dated May 28, 1952) applies also to banking companies incorporated in and confining their activities to Part B States. Please note that failure to comply with the provisions of section 24 will attract the penalties provided in sub-sections (4) and (5) of section 46 of the Act.

6. DBO. No. Ins. 3502/C.297-53 dated June 5, 1953

Advances to scheduled banks under section 17(4)(c) of the Reserve Bank of India Act, 1934

Please refer to our circular letter DBO. No. Sch.500/C.96G-52 dated January 25, 1952. The question of permitting some more scheduled banks to take advantage of the Bill Market Scheme has been examined by us and it has been decided to extend the scheme to scheduled banks having deposits (including deposits outside India) of Rs. 5 crores or more provided they are in possession of a licence granted by the Reserve Bank in terms of section 22 of the Banking Companies Act, 1949. A copy each of the circulars issued by us from time to time to eligible scheduled banks is enclosed for your information.

7. DBO. No. Ins. 4342/C.297-53 dated July 7, 1953

Advances to scheduled banks under section 17(4)(c) of the Reserve Bank of India Act, 1934

Please refer to our circular DBO. No. Sch.222/C.96G-52 dated January 16, 1952. As stated in paragraph 4(c) of the memorandum enclosed with that circular the Reserve Bank of India has so far been refunding half the cost of stamp duty on the usance bills/promissory notes lodged with it as security for advances under the Bill Market Scheme. It has since been represented to us that the stamp duty on usance bills/promissory notes being higher in some of the Part 'B' States, the banks or their constituents are required to bear a comparatively higher cost in this respect notwithstanding the concession of a refund of half the cost by the Reserve Bank.

It has, therefore, been decided that as an experimental measure and for a period of one year, in the first instance, commencing from October 1, 1953, the Reserve Bank will refund such portion of the cost of the stamp duty due on the usance bills/promissory notes lodged with it as security for advance

under the Bill Market Scheme, as is in excess of Re. 0-1-0 per Rs. 1,000 which represents half the cost of stamp duty in respect of usance bills/promissory notes executed in Part 'A' States and which is not refundable under the Scheme even at present.

8. DBO. No. Leg. 4481/26-53 dated July 15, 1953

Section 86J of the Indian Companies Act, 1913

We reproduce for your information and guidance section 86J of the Indian Companies Act, 1913. This section which has been inserted in the Act by the Indian Companies (Amendment) Act, 1951 (LII of 1951) places certain restrictions on the appointment, reappointment and number of directors and their remuneration, etc., of companies. In terms of clause (c) of sub-section (1) of the section the appointment of a managing director for the first time after July 21, 1951, or the reappointment after the said date of a managing director holding office as such on that date or thereafter, if the terms of such reappointment purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration that the managing director was receiving immediately before such appointment, shall be void unless approved by the Central Government.

Section 86J of the Indian Companies Act, 1913

86J. Restrictions on appointment, reappointment and number of directors, their remunerations, etc.—(1) Notwithstanding anything to the contrary contained in any other provision of this Act or in the articles of, or any agreement with, any company,—

- (a) any amendment in the articles or any variation in the agreement—
 - (i) which relates to the appointment of a managing director or the appointment or election of a director not liable to retire by rotation, or
 - (ii) which purports to increase or has the effect of increasing, whether directly or indirectly, the remuneration of a managing director or any other director, or
- (b) any increase in the number of directors provided for in the articles, except where the increase is within the maximum limits permissible under the articles as in force on July 21, 1951, or
- (c) the appointment of a managing director for the first time after July 21, 1951, or the reappointment after the said date of a managing director holding office as such on that date or thereafter, if the terms of such reappointment purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration that the managing director was receiving immediately before such reappointment,

shall be void unless approved by the Central Government.

(2) Where a complaint is made to the Central Government by the managing agent, managing director or any other director of a company that as a result of a change in the ownership of the shares held in the company a change in the board of directors is likely to take place which, if allowed, would affect prejudicially the affairs of the company, the Central Government may, if, after such inquiry as it thinks fit to make, it is satisfied that it is just and proper so to do, by order direct that no resolution passed or action taken to effect a change in the

board of directors after the date of the complaint shall have effect unless confirmed by the Central Government, and any such order shall have effect notwithstanding anything to the contrary contained in any other provision of this Act or in the articles of the company.

(3) Nothing contained in this section shall apply to a private company unless it is a subsidiary company of a public company.

9. DBO. No. Leg. 7281/C.234-53 dated December 3, 1953

Exemption in respect of investments in Government securities

We enclose for your information copies of two notifications, viz., notification No. F. 4 (175)-F.I./52 S.R.O. 2058 dated October 29, 1953 and No. F. 4 (175)-F.I./52 S.R.O. 2090 dated November 4, 1953, issued by the Government of India in terms of section 53 of the Banking Companies Act, 1949, and published in the *Gazette of India* dated November 7, and November 14, 1953, respectively.

The notification S.R.O. 2058 exempts all banking companies for a period of three years, i.e., until January 1, 1956, from the provisions of note (f) of the Notes appended to Form A—form of Balance Sheet—set out in the Third Schedule to the Banking Companies Act, 1949, in respect of the disclosure of the market value within brackets of their investments in Government and other Trustee securities provided that when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the Property and Assets side of the said form exceeds the market value of the investments under that sub-head, they show separately within brackets the market value of the investments under that sub-head. It would, thus, be clear that in terms of the notification while a banking company need not show the market value of its investments in Government and other Trustee securities within brackets it would be necessary that when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the Property and Assets side of the balance sheet exceeds the market value of the investments under the sub-head, the market value of the investments under each of these sub-heads should be shown separately. It may further be stated that where the market value of your bank's investments other than in Government and other Trustee securities is not ascertainable, their estimated realisable value may be taken into consideration. In this connection a reference is invited to note (i) of the Notes appended to the form of balance sheet which provides that the value of non-banking assets should not exceed the market value and in cases where the market value is not ascertainable, the estimated realisable value.

The notification S.R.O. 2090 is on the lines of similar notifications issued during the last two years and exempts all banking companies from the provisions of section 17 of the Banking Companies Act in so far as that section has the effect of preventing appropriation from the Reserve Fund maintained in terms of that section for the purposes of writing off the amounts of losses on their investments in Government securities before declaring a dividend out of their profits for the year 1953.

In exercise of the powers conferred by section 27(2) of the Banking Companies Act, you are also hereby directed to furnish information relating to your bank in respect of the appropriations made or proposed to be made from profits for the year 1953 and the reserves held by your bank either under section 17 or otherwise as in the specimen forms enclosed. Statement No. 2 may please be submitted to this office as early as possible but not later than January 31, 1954.

If the information called for in Statement No. 1 is not ready by January 31, 1954, and if you are unable to furnish even provisional figures by that date, it may be forwarded to us as soon as possible after January 31, 1954—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.

Receipt of the circular may please be acknowledged to this office and where elucidation or clarification of any points is required, the necessary enquiries may be addressed to us.

APPENDIX IV

THE RESERVE BANK OF INDIA (AMENDMENT AND MISCELLANEOUS PROVISIONS) ACT, 1953

No. 54 of 1953

An Act further to amend the Reserve Bank of India Act, 1934 and to make special provisions in respect of certain high denomination bank notes.

Be it enacted by Parliament as follows :—

1. *Short title.*—This Act may be called the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953.

2. *Amendment of section 8, Act II of 1934.*—For the proviso to sub-section (3) of section 8 of the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), the following proviso shall be substituted, namely :—

“ Provided that when the Governor is, for any reason, unable to attend any such meeting, a Deputy Governor authorised by him in this behalf in writing may vote for him at that meeting.”

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

(a) to sub-clause (b) of clause (2), the following Explanation shall be added, namely :—

“ *Explanation.*—For the purposes of this sub-clause,—

- (i) the expression “ agricultural operations ” includes animal husbandry and allied activities jointly undertaken with agricultural operations ;
- (ii) “ crops ” include products of agricultural operations ;
- (iii) the expression “ marketing of crops ” includes the processing of crops prior to marketing by agricultural producers or any organisation of such producers.”

(b) after sub-clause (b) of clause (2), the following sub-clause shall be inserted, namely :—

“ (bb) the purchase, sale and rediscount of bills of exchange and promissory notes drawn and payable in India and bearing two or more good signatures, one of which shall be that of a State Co-operative Bank or a State Financial Corporation, and drawn or issued for the purpose of financing the production or marketing activities of cottage and small-scale industries approved by the Bank and maturing within twelve months from the date of such purchase or rediscount, exclusive of days of grace, provided that the payment of the principal and interest of such bills of exchange or promissory notes is fully guaranteed by the State Government.” :

(c) after clause (4), the following clauses shall be inserted, namely :—

“ (4A) the making to State Co-operative Bank 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 against such securities as may be specified in this behalf by the Central Board :

Provided that—

- (a) such loans and advances are fully guaranteed as to the principal and interest by the State Government ; and
- (b) the amount of loans and advances granted to any State Co-operative Bank shall not exceed the owned funds of such a bank :

Provided further that the amount of loans and advances granted by the Bank under this clause shall not at any time exceed five crores of rupees in the aggregate.

(4B) the making to the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948) of loans and advances,—

- (a) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loan or advance, against securities of the Central Government or of any State Government ; or
- (b) repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government of any maturity or against bonds and debentures issued by the said Corporation and guaranteed by the Central Government and maturing within a period not exceeding eighteen months from the date of such loan or advance :

Provided that the amount of loans and advances granted under clause (b) shall not at any time exceed three crores of rupees in the aggregate."

4. *Amendment of section 24, Act II of 1934.*—In section 24 of the principal Act, after the words 'one thousand rupees' the words 'five thousand rupees' shall be inserted.

5. *Amendment of section 40, Act II of 1934.*—In section 40 of the principal Act, after the words 'or Madras' the words 'or at such of its branches as the Central Government may, by order, determine' shall be inserted.

6. *Amendment of section 42, Act II of 1934.*—In section 42 of the principal Act,—

(a) in the Explanation to sub-section (1), after the words 'the Reserve Bank' the words 'or the Imperial Bank of India' shall be inserted ;

(b) in sub-section (2),—

- (i) to clause (a), the words 'other than the Imperial Bank of India' shall be added ;
- (ii) after clause (a), the following clause shall be inserted, namely :—
 " (aa) the amount of its borrowings from the Imperial Bank of India, classifying them into demand and time liabilities ;"
- (iii) in clause (g), after the words 'discounted in India' the words 'and foreign bills purchased and discounted' shall be inserted.

7. *Insertion of new section 43A in Act II of 1934.*—After section 43 of the principal Act, the following section shall be inserted, namely:—

“43A. Protection of action taken in good faith.—

- (1) No suit or other legal proceeding shall lie against the Bank or any of its officers for anything which is in good faith done or intended to be done in pursuance of section 42 or section 43.
- (2) No suit or other legal proceeding shall lie against the Bank or any of its officers for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of section 42 or section 43.”

8. *Amendment of section 58, Act II of 1934.*—In clause (h) of sub-section (2) of section 58 of the principal Act, the words ‘ to the Governor, or ’ shall be omitted.

9. *Ordinance III of 1946 not to apply to certain high denomination bank notes.*—Nothing contained in the High Denomination Bank Notes (Demonetisation) Ordinance, 1946 (III of 1946), shall apply to any bank notes of the denominational value of five hundred rupees, one thousand rupees or ten thousand rupees issued after the commencement of this Act, but no such bank note issued before the 13th day of January, 1946 shall be legal tender in payment or on account of the amount expressed therein at any place in India.

APPENDIX V

THE BANKING COMPANIES (AMENDMENT) ACT, 1953

No. 52 of 1953

An Act further to amend the Banking Companies Act, 1949

Be it enacted by Parliament as follows :—

1. *Short title.*—This Act may be called the Banking Companies (Amendment) Act, 1953.

2. *Amendment of section 5, Act X of 1949.*—In section 5 of the Banking Companies Act, 1949 (hereinafter referred to as the principal Act), clause (e) of sub-section (1) shall be omitted.

3. *Insertion of new section 36A in Part III in Act X of 1949.*—In Part III of the principal Act, after section 36, the following section shall be inserted, namely :—

“ 36A. *High Court defined.*—In this Part and in Part IIIA, ‘High Court,’ in relation to a banking company, means the High Court exercising jurisdiction in the place where the registered office of the banking company is situated or, in the case of a banking company incorporated outside India, where its principal place of business in India is situated.”

4. *Substitution of “High Court” for Court in Part III in Act X of 1949.*—In Part III of the principal Act, for the word “Court” wherever it occurs the words “High Court” shall be substituted.

5. *Amendment of section 37, Act X of 1949.*—In section 37 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) When an application is made under sub-section (1), the High Court may appoint a special officer who shall forthwith take into his custody or under his control all the assets, books, documents, effects and actionable claims to which the banking company is or appears to be entitled and shall also exercise such other powers as the High Court may deem fit to confer on him, having regard to the interests of the depositors of the banking company.”

6. *Insertion of new section 38A in Act X of 1949.*—After section 38 of the principal Act, the following section shall be inserted, namely :—

“ 38A. *Court Liquidator.*—(1) There shall be attached to every High Court a court liquidator to be appointed by the Central Government for the purpose of conducting all proceedings for the winding up of banking companies and performing such other duties in reference thereto as the High Court may impose.

(2) Where there is a court liquidator attached to a High Court and an order is passed by the High Court for the winding up of any banking company, then, notwithstanding anything contained in section 171A or section 175 of the Indian Companies Act, 1913 (VII of 1913), the court liquidator shall become the official liquidator of the banking company.

(3) Where there is a court liquidator attached to a High Court and any proceeding for the winding up of a banking company in which any person other than the Reserve Bank or the court liquidator has been appointed as official liquidator is pending before the High Court immediately before the commencement of the Banking Companies (Amendment) Act, 1953, or the date on which the court liquidator is so attached to the High Court, whichever is later, then, notwithstanding anything contained in section 176 of the Indian Companies Act, 1913 (VII of 1913), the person appointed as the official liquidator shall, on such commencement or, as the case may be, on the aforesaid date, be deemed to have vacated his office as such and the vacancy so caused shall be deemed to be filled up by the appointment of the court liquidator as the official liquidator :

Provided that where the High Court after giving the court liquidator and the Reserve Bank an opportunity of being heard, is of opinion that the appointment of the court liquidator would be detrimental to the interests of the depositors of the banking company, it may direct the person appointed as the official liquidator to continue to act as such.

(4) Where having regard to the number of banking companies wound up and other circumstances of the case, the Central Government is of opinion that it is not necessary or expedient to attach for the time being a court liquidator to a High Court, it may, from time to time, by notification in the *Official Gazette*, direct that this section shall not have effect in relation to that High Court. "

7. *Amendment of section 39, Act X of 1949.*—In section 39 of the principal Act, after the words "Notwithstanding anything contained " the words, figures and letter " in section 38A of this Act or " shall be inserted.

8. *Substitution of new sections for section 43 in Act X of 1949.*—For section 43 of the principal Act, the following sections shall be substituted, namely :—

" 43. *Booked depositors' credits to be deemed proved.*—In any proceeding for the winding up of a banking company, every depositor of the banking company shall be deemed to have filed his claim for the amount shown in the books of the banking company as standing to his credit and, notwithstanding anything to the contrary contained in section 191 of the Indian Companies Act, 1913 (VII of 1913), the High Court shall presume such claims to have been proved, unless the official liquidator shows that there is reason for doubting its correctness.

43A. *Preferential payment to small depositors.*—(1) In every proceeding for the winding up of a banking company, after the preferential payments referred to in section 230 of the Indian Companies Act, 1913 (VII of 1913) have been made, there shall be paid, to every depositor in the savings bank account of the banking company, a sum of one hundred rupees or the balance at his credit, whichever is less, in priority to all other debts from out of the remaining assets of the banking company available for payment of general creditors.

(2) The aforesaid payments shall rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion."

9. *Amendment of section 45, Act X of 1949.*—Section 45 of the principal Act shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered, for the words “as not being detrimental to the interests of the depositors of such company,” the words “in writing as not being incapable of being worked and as not being detrimental to the interests of the depositors of such banking company” shall be substituted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely :—

“(2) Where an application under section 153 of the Indian Companies Act, 1913 (VII of 1913) is made in respect of a banking company, the High Court may direct the Reserve Bank to make an inquiry in relation to the affairs of the banking company and the conduct of its directors and when such a direction is given, the Reserve Bank shall make such inquiry and submit its report to the High Court.”

10. *Substitution of new Part for Part IIIA in Act X of 1949.*—For Part IIIA of the principal Act, the following Part shall be substituted, namely :—

“PART IIIA

SPECIAL PROVISIONS FOR SPEEDY DISPOSAL OF WINDING UP PROCEEDINGS

45A. *Part IIIA to override other laws.*—The provisions of this Part and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Indian Companies Act, 1913 (VII of 1913) or the Code of Civil Procedure, 1908 (Act V of 1908) or the Code of Criminal Procedure, 1898 (Act V of 1898) or any other law for the time being in force or any instrument having effect by virtue of any such law but the provisions of any such law or instrument in so far as the same are not varied by, or inconsistent with, the provisions of this Part or rules made thereunder shall apply to all proceedings under this Part.

45B. *Power of High Court to decide all claims in respect of banking companies.*—The High Court shall, save as otherwise expressly provided in section 45C, have exclusive jurisdiction to entertain and decide any claim made by or against a banking company which is being wound up (including claims by or against any of its branches in India) or any application made under section 153 of the Indian Companies Act, 1913 (VII of 1913) by or in respect of a banking company or any question of priorities or any other question whatsoever, whether of law or fact, which may relate to or arise in the course of the winding up of a banking company, whether such claim or question has arisen or arises or such application has been made or is made before or after the date of the order for the winding up of the banking company or before or after the commencement of the Banking Companies (Amendment) Act, 1953.

45C. *Transfer of pending proceedings.*—(1) Where a winding up order is made or has been made in respect of a banking company, no suit or other legal proceeding, whether civil or criminal, in respect of which the High Court has jurisdiction under this Act and which is pending in any other court immediately before the commencement of the Banking Companies (Amendment) Act, 1953, or the date of the order for the winding up of the banking company, whichever is later, shall be proceeded with except in the manner hereinafter provided.

(2) The official liquidator shall, within three months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Act, 1953, whichever is later, or such further time as the High Court may allow submit to the High Court a report containing a list of all such pending proceedings together with particulars thereof.

(3) On receipt of a report under sub-section (2), the High Court may, if it so thinks fit, give the parties concerned an opportunity to show cause why the proceedings should not be transferred to itself and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall make such order as it deems fit transferring to itself all or such of the pending proceedings as may be specified in the order and such proceedings shall thereafter be disposed of by the High Court.

(4) If any proceeding pending in a court is not so transferred to the High Court under sub-section (3), such proceeding shall be continued in the court in which the proceeding was pending.

(5) Nothing in this section shall apply to any proceeding pending in appeal before the Supreme Court or a High Court.

45D. *Settlement of list of debtors.*—(1) Notwithstanding anything to the contrary contained in any law for the time being in force, the High Court may settle in the manner hereinafter provided a list of debtors of a banking company which is being wound up.

(2) Subject to any rules that may be made under section 52, the official liquidator shall, within six months from the date of the winding up order or the commencement of the Banking Companies (Amendment) Act, 1953, whichever is later, from time to time, file to the High Court lists of debtors containing such particulars as are specified in the Fourth Schedule :

Provided that such lists may, with the leave of the High Court, be filed after the expiry of the said period of six months.

(3) On receipt of any list under sub-section (2), the High Court shall, wherever necessary, cause notices to be issued on all persons affected and after making an inquiry in such manner as may be provided by rules made under section 45U, it shall make an order settling the list of debtors :

Provided that nothing in this section shall debar the High Court from settling any such list in part as against such of the persons whose debts have been settled without settling the debts of all the persons placed on the list.

(4) At the time of the settlement of any such list, the High Court shall pass an order for the payment of the amount due by each debtor and make such further orders as may be necessary in respect of the relief claimed, including reliefs against any guarantor or in respect of the realisation of any security.

(5) Every such order shall, subject to the provisions for appeal, be final and binding for all purposes as between the banking company on the one hand and the person against whom the order is passed and all persons claiming through or under him on the other hand, and shall be deemed to be a decree in a suit.

(6) In respect of every such order, the High Court shall issue a certificate specifying clearly the reliefs granted and the names and descriptions of the parties against whom such reliefs have been granted, the amount of

costs awarded and by whom, and out of what funds and in what proportions, such costs are to be paid ; and every such certificate shall be deemed to be a certified copy of the decree for all purposes including execution.

(7) At the time of settling the list of debtors or at any other time prior or subsequent thereto, the High Court shall have power to pass any order in respect of a debtor on the application of the official liquidator for the realisation, management, protection, preservation or sale of any property given as security to the banking company and to give such powers to the official liquidator to carry out the aforesaid directions as the High Court thinks fit.

(8) The High Court shall have power to sanction a compromise in respect of any debt and to order the payment of any debt by instalments.

(9) In any case in which any such list is settled *ex parte* as against any person, such person may, within thirty days from the date of the order settling the list, apply to the High Court for an order to vary such list, so far as it concerns him, and if the High Court is satisfied that he was prevented by any sufficient cause from appearing on the date fixed for the settlement of such list and that he has a good defence to the claim of the banking company on merits, the High Court may vary the list and pass such orders in relation thereto as it thinks fit :

Provided that the High Court may, if it so thinks fit, entertain the application after the expiry of the said period of thirty days.

(10) Nothing in this section shall—

- (a) apply to a debt which has been secured by a mortgage of immovable property, if a third party has any interest in such immovable property ; or
- (b) prejudice the rights of the official liquidator to recover any debt due to a banking company under any other law for the time being in force.

45E. *Special provisions to make calls on contributories.*—Notwithstanding that the list of the contributories has not been settled under section 184 of the Indian Companies Act, 1913 (VII of 1913), the High Court may, if it appears to it necessary or expedient so to do, at any time after making a winding-up order, make a call on and order payment thereof by any contributory under sub-section (1) of section 187 of the Indian Companies Act, 1913, if such contributory has been placed on the list of contributories by the official liquidator and has not appeared to dispute his liability.

45F. *Documents of banking company to be evidence.*—(1) Entries in the books of account or other documents of a banking company which is being wound up shall be admitted in evidence in all proceedings by or against the banking company ; and all such entries may be proved either by the production of the books of account or other documents of the banking company containing such entries or by the production of a copy of the entries, certified by the official liquidator under his signature and stating that it is a true copy of the original entries and that such original entries are contained in the books of account or other documents of the banking company in his possession.

(2) Notwithstanding anything to the contrary contained in the Indian Evidence Act, 1872 (I of 1872), all such entries in the books of account or other documents of a banking company shall, as against the directors of the banking company in respect of which the winding up order has been made before the commencement of the Banking Companies (Amendment) Act, 1953, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

45G. *Public examination of directors and auditors.*—(1) Where an order has been made for the winding up of a banking company, the official liquidator shall submit a report whether in his opinion any loss has been caused to the banking company since its formation by any act or omission (whether or not a fraud has been committed by such act or omission) of any person in the promotion or formation of the banking company or of any director or auditor of the banking company.

(2) If, on consideration of the report submitted under sub-section (1), the High Court is of opinion that any person who has taken part in the promotion or formation of the banking company or has been a director or an auditor of the banking company should be publicly examined, it shall hold a public sitting on a date to be appointed for that purpose and direct that such person, director or auditor shall attend thereat and shall be publicly examined as to the promotion or formation or the conduct of the business of the banking company, or as to his conduct and dealings, in so far as they relate to the affairs of the banking company :

Provided that no such person shall be publicly examined unless he has been given an opportunity to show cause why he should not be so examined.

(3) The official liquidator shall take part in the examination and for that purpose may, if specially authorised by the High Court in that behalf, employ such legal assistance as may be sanctioned by the High Court.

(4) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the High Court.

(5) The High Court may put such questions to the person examined as it thinks fit.

(6) The person examined shall be examined on oath and shall answer all such questions as the High Court may put or allow to be put to him.

(7) A person ordered to be examined under this section may, at his own cost, employ any person entitled to appear before the High Court who shall be at liberty to put to him such questions as the High Court may deem just for the purpose of enabling him to explain or qualify any answer given by him :

Provided that if he is, in the opinion of the High Court, exculpated from any charges made or suggested against him, the High Court may allow him such costs in its discretion as it may deem fit.

(8) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined and may thereafter be used in evidence against him in any proceeding, civil or criminal, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(9) Where on such examination, the High Court is of opinion (whether a fraud has been committed or not)—

- (a) that a person, who has been a director of the banking company, is not fit to be a director of a company, or
- (b) that a person, who has been an auditor of the banking company or a partner of a firm acting as such auditor, is not fit to act as an auditor of a company or to be a partner of a firm acting as such auditor,

the High Court may make an order that that person shall not, without the leave of the High Court, be a director of, or in any way, whether directly or indirectly, be concerned or take part in the management of any company or, as the case may be, act as an auditor of, or be a partner of a firm acting as auditors of, any company for such period not exceeding five years as may be specified in the order.

45H. *Special provisions for assessing damages against delinquent directors, etc.*—(1) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) against any promoter, director, manager, liquidator or officer of a banking company for repayment or restoration of any money or property and the applicant makes out a *prima facie* case against such person, the High Court shall make an order against such person to repay and restore the money or property unless he proves that he is not liable to make the repayment or restoration either wholly or in part :

Provided that where such an order is made jointly against two or more such persons, they shall be jointly and severally liable to make the repayment or restoration of the money or property.

(2) Where an application is made to the High Court under section 235 of the Indian Companies Act, 1913 (VII of 1913) and the High Court has reason to believe that a property belongs to any promoter, director, manager, liquidator or officer of the banking company, whether the property stands in the name of such person or any other person as the ostensible owner, then, the High Court may, at any time, whether before or after making an order under sub-section (1), direct the attachment of such property, or such portion thereof, as it thinks fit and the property so attached shall remain subject to attachment unless the ostensible owner can prove to the satisfaction of the High Court that he is the real owner and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908), relating to attachment of property shall, as far as may be, apply to such attachment.

45I. *Duty of directors and officers of banking company to assist in the realisation of property.*—Every director or other officer of a banking company which is being wound up shall give such assistance to the official liquidator as he may reasonably require in connection with the realisation and distribution of the property of the banking company.

45J. *Special provisions for punishing offences in relation to banking companies being wound up.*—(1) The High Court may, if it thinks fit, take cognizance of and try in a summary way any offence alleged to have been committed by any person who has taken part in the promotion or formation of the banking company which is being wound up or by any director, manager or officer thereof :

Provided that the offence is one punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913).

(2) When trying any such offence as aforesaid, the High Court may also try any other offence not referred to in sub-section (1) which is an offence with which the accused may, under the Code of Criminal Procedure, 1898 (Act V of 1898), be charged at the same trial.

(3) In any case tried summarily under sub-section (1), the High Court—

- (a) need not summon any witness, if it is satisfied that the evidence of such witness will not be material ;
- (b) shall not be bound to adjourn a trial for any purpose unless such adjournment is, in the opinion of the High Court, necessary in the interests of justice ;
- (c) shall, before passing any sentence, record judgment embodying the substance of the evidence and also the particulars specified in section 263 of the Code of Criminal Procedure, 1898 (Act V of 1898), so far as that section may be applicable ;

and nothing contained in sub-section (2) of section 262 of the Code of Criminal Procedure, 1898, shall apply to any such trial.

(4) All offences in relation to winding up alleged to have been committed by any person specified in sub-section (1) which are punishable under this Act or under the Indian Companies Act, 1913 (VII of 1913), and which are not tried in a summary way under sub-section (1) shall, notwithstanding anything to the contrary contained in that Act or the Code of Criminal Procedure, 1898 (Act V of 1898), or in any other law for the time being in force, be taken cognizance of and tried by a Judge of the High Court other than the Judge for the time being dealing with the proceedings for the winding up of the banking company.

(5) Notwithstanding anything to the contrary contained in the Code of Criminal Procedure, 1898 (Act V of 1898), the High Court may take cognizance of any offence under this section without the accused being committed to it for trial and all such trials shall be without the aid of a jury.

45K. *Power of High Court to enforce schemes of arrangements, etc.—*

(1) Where a High Court makes an order under section 153 of the Indian Companies Act, 1913 (VII of 1913) sanctioning a compromise or arrangement in respect of a banking company, it shall have power to supervise the carrying out of the compromise or arrangement and may at the time of making such order or at any time thereafter give such directions in regard to any matter or make such modifications in the compromise or arrangement as it may consider necessary for the proper working of the compromise or arrangement.

(2) If the High Court is satisfied that a compromise or arrangement sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913), cannot be worked satisfactorily with or without modifications, it may, either on its own motion or on the application of any person interested in the affairs of the banking company, make an order winding up the banking company and such an order shall be deemed to be an order made under section 162 of the Indian Companies Act, 1913.

(3) The provisions of this section shall, so far as they may also apply to a banking company in respect of which an order under section 153 of the

Indian Companies Act, 1913 (VII of 1913), sanctioning a compromise or arrangement has been made before the commencement of the Banking Companies (Amendment) Act, 1953.

45L. *Public examination of directors and auditors, etc., in respect of a banking company under schemes of arrangement.*—(1) Where an application for sanctioning a compromise or arrangement in respect of a banking company is made under section 153 of the Indian Companies Act, 1913 (VII of 1913), or where such sanction has been given and the High Court is of opinion, whether on a report of the Reserve Bank or otherwise, that any person who has taken part in the promotion or formation of the banking company or has been a director or auditor of the banking company should be publicly examined, it may direct such examination of such person and the provisions of section 45G shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up.

(2) Where a compromise or arrangement is sanctioned under section 153 of the Indian Companies Act, 1913 (VII of 1913), in respect of a banking company, the provisions of section 235 of the said Act and of section 45H of this Act shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45M. *Special provisions for banking companies working under schemes of arrangement at the commencement of the Amendment Act.*—Where any compromise or arrangement sanctioned in respect of a banking company under section 153 of the Indian Companies Act, 1913 (VII of 1913), is being worked at the commencement of the Banking Companies (Amendment) Act, 1953, the High Court may, if it so thinks fit, on the application of such banking company,—

- (a) excuse any delay in carrying out any of the provisions of the compromise or arrangement; or
- (b) allow the banking company to settle the list of its debtors in accordance with the provisions of section 45D and in such a case, the provisions of the said section shall, as far as may be, apply to the banking company as they apply to a banking company which is being wound up as if the order sanctioning the compromise or arrangement were an order for the winding up of the banking company.

45N. *Appeals.*—(1) An appeal shall lie from any order or decision of the High Court in a civil proceeding under this Act when the amount or value of the subject-matter of the claim exceeds five thousand rupees.

(2) The High Court may by rules provide for an appeal against any order made under section 45J and the conditions subject to which any such appeal would lie.

(3) Subject to the provisions of sub-section (1) and sub-section (2) and notwithstanding anything contained in any other law for the time being in force, every order or decision of the High Court shall be final and binding for all purposes as between the banking company on the one hand, and all persons who are parties thereto and all persons claiming through or under them or any of them, on the other hand.

45O. *Special period of limitation.*—(1) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908), or in any other law for the time being in force, in computing the period of limitation prescribed for a suit or application by a banking company which is being wound up, the period commencing from the date of the presentation of the petition for the winding up of the banking company shall be excluded.

(2) Notwithstanding anything to the contrary contained in the Indian Limitation Act, 1908 (IX of 1908), or section 235 of the Indian Companies Act, 1913 (VII of 1913), or in any other law for the time being in force, there shall be no period of limitation for the recovery of arrears of calls from any director of a banking company which is being wound up or for the enforcement by the banking company against any of its directors of any claim based on a contract, express or implied; and in respect of all other claims by the banking company against its directors, the period of limitation shall be twelve years from the date of the accrual of such claims.

(3) The provisions of this section in so far as they relate to banking companies being wound up shall also apply to a banking company in respect of which a petition for the winding up has been presented before the commencement of the Banking Companies (Amendment) Act, 1953.

45P. *Reserve Bank to tender advice in winding up proceedings.*—Where in any proceeding for the winding up of a banking company in which any person other than the Reserve Bank has been appointed as the official liquidator and the High Court has directed the official liquidator to obtain the advice of the Reserve Bank on any matter (which it is hereby empowered to do), it shall be lawful for the Reserve Bank to examine the record of any such proceeding and tender such advice on the matter as it may think fit.

45Q. *Power to inspect.*—(1) The Reserve Bank shall, on being directed so to do by the Central Government or by the High Court, cause an inspection to be made by one or more of its officers of a banking company which is being wound up and its books and accounts.

(2) On such inspection, the Reserve Bank shall submit its report to the Central Government and the High Court.

(3) If the Central Government, on consideration of the report of the Reserve Bank, is of opinion that there has been a substantial irregularity in the winding up proceedings, it may bring such irregularity to the notice of the High Court for such action as the High Court may think fit.

(4) On receipt of the report of the Reserve Bank under sub-section (2) or on any irregularity being brought to its notice by the Central Government under sub-section (3), the High Court may, if it deems fit, after giving notice to and hearing the Central Government in regard to the report, give such directions as it may consider necessary.

45R. *Power to call for returns and information.*—The Reserve Bank may, at any time by a notice in writing, require the liquidator of a banking company to furnish it, within such time as may be specified in the notice or such further time as the Reserve Bank may allow, any statement or information relating to or connected with the winding up of the banking company; and it shall be the duty of every liquidator to comply with such requirements.

Explanation.—For the purposes of this section and section 45Q, a banking company working under a compromise or arrangement but prohibited from receiving fresh deposits, shall, as far as may be, be deemed to be a banking company which is being wound up.

45S. *Chief presidency magistrate and district magistrate to assist official liquidator in taking charge of property of banking company being wound up.*—(1) For the purpose of enabling the official liquidator or the special officer appointed under sub-section (3) of section 37 to take into his custody or under his control, all property, effects and actionable claims to which a banking company, which has been ordered to be wound up, is or appears to be entitled, the official liquidator or the special officer, as the case may be, may request in writing the chief presidency magistrate or the district magistrate, within whose jurisdiction any property, books of account or other documents of such banking company may be situate or be found, to take possession thereof, and the chief presidency magistrate or the district magistrate, as the case may be, shall, on such request being made to him, take possession of such property, books of account or other documents and forward them to the official liquidator or the special officer.

(2) For the purpose of securing compliance with the provisions of sub-section (1), the chief presidency magistrate or the district magistrate may take or cause to be taken such steps and use or cause to be used such force as may, in his opinion, be necessary.

45T. *Enforcement of orders and decisions of High Court.*—(1) All orders made in any civil proceeding by a High Court may be enforced in the same manner in which decrees of such court made in any suit pending therein may be enforced.

(2) Notwithstanding anything to the contrary contained in the Code of Civil Procedure, 1908 (Act V of 1908), a liquidator may apply for the execution of a decree by a court other than the one which made it on production of a certificate granted under sub-section (6) of section 45D and on his certifying to such other court in writing the amount remaining due or relief remaining unenforced under the decree.

(3) Without prejudice to the provisions of sub-section (1) or sub-section (2), any amount found due to the banking company by an order or decision of the High Court may, with the leave of the High Court, be recovered in the same manner as an arrear of land revenue.

45U. *Power of High Court to make rules.*—The High Court may make rules consistent with this Act and the rules made under section 52 prescribing—

- (a) the manner in which inquiries and proceedings under Part III or Part IIIA may be held ;
- (b) the offences which may be tried summarily ;
- (c) the authority to which, and the conditions subject to which, appeals may be preferred and the manner in which such appeals may be filed and heard ;
- (d) any other matter for which provision has to be made for enabling the High Court to effectively exercise its functions under this Act.

45V. *References to directors, etc., shall be construed as including references to past directors, etc.*—For the removal of doubts it is hereby declared that any reference in this Part to a director, manager, liquidator, officer or auditor of a banking company shall be construed as including a reference to any past or present director, manager, liquidator, officer or auditor of the banking company.

45W. *Part II not to apply to banking companies being wound up.*—Nothing contained in Part II shall apply to a banking company which is being wound up.

45X. *Validation of certain proceedings.*—Notwithstanding anything contained in section 45B or any other provision of this Part or in section 11 of the Banking Companies (Amendment) Act, 1950 (XX of 1950), no proceeding held, judgment delivered or decree or order made before the commencement of the Banking Companies (Amendment) Act, 1953, by any court other than the High Court in respect of any matter over which the High Court has jurisdiction under this Act shall be invalid or be deemed ever to have been invalid merely by reason of the fact that such proceeding, judgment, decree or order was held, delivered or made by a court other than the High Court."

11. *Amendment of section 52, Act X of 1949.*—In section 52 of the principal Act,—

(a) to sub-section (2), the following shall be added, namely:—

"and the form in which the official liquidator may file lists of debtors to the Court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain and any other matter which has to be, or may be, prescribed;"

(b) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The Central Government may by rules made under this section annul, alter or add to, all or any of the provisions of the Fourth Schedule."

12. *Insertion of new Schedule in Act X of 1949.*—After the Third Schedule to the principal Act, the following Schedule shall be inserted, namely:—

"THE FOURTH SCHEDULE

[See section 45D (2)]

LIST OF DEBTORS

1. The official liquidator shall from time to time submit lists of debtors to the High Court, each list being verified by an affidavit.

2. Every such list shall contain the following particulars:—

- (a) names and addresses of the debtors;
- (b) amount of debt due to the banking company by each debtor;
- (c) rate of interest, if any, and the date upto which such interest has been calculated in the case of each debtor;
- (d) description of papers, writings and documents, if any, relating to each debt;
- (e) relief or reliefs claimed against each debtor.

3. (a) In every such list, the official liquidator shall distinguish between the debts for which the banking company holds any security other than a personal security and the debts for which no security or only a personal security is given;

(b) In the case of secured debts, particulars of the securities claimed by the banking company, and whenever possible their estimated value, and the names and addresses of person or persons, if any, having an interest in the securities or the right of redemption therein;

(c) In case the debt is guaranteed by any person or persons, the name and address of the guarantor or guarantors with particulars as to the extent to which the debt is guaranteed and description of documents, papers or writings in support of such guarantee.

4. If the debtor is adjudged insolvent either before or after he has been included in any such list, but before such list is settled, the name and address of the assignee or the receiver of his estate, as the case may be, should be stated in, or added to, the list.

5. If the original debtor dies either before or after he has been included in any such list, but before such list is settled, there shall be substituted in his place the names and addresses of his legal representatives as far as the official liquidator is able to ascertain."

13. *Repeal of Ordinance 4 of 1953.*—(1) The Banking Companies (Amendment) Ordinance 1953 (4 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken.

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