

RESERVE BANK OF INDIA

Report of the committee

on

Feasibility of Transfer of Coding Work

From

Exchange Control Department

To

Department of Statistics

September, 1976

Confidential

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CHAPTER 1

Introduction

In accordance with the Exchange Control Regulations, a number of returns, statements and forms pertaining to foreign exchange transactions are received periodically in the Reserve Bank of India from authorised dealers in foreign exchange, Customs authorities, etc. These constitute the basis not only for exercising control over foreign exchange transactions, but also for the compilation of the balance of payments statistics of the country and other statistics on foreign exchange transactions required by the Reserve Bank and Government. According to the prescribed procedure, the returns/statements/forms are received in the Regional Offices of the Exchange Control Department where the details required for the balance of payments compilations and other statistics are transcribed to codesheets, and they are sent to the Department of Statistics directly or through the Central Exchange Control Department for further processing. In some cases, the returns/statements/forms themselves are coded and used as input documents for machine-processing. The processed data are sent by the Department of Statistics to the Economic Department for compilation of the balance of payments statistics, analytical studies and other purposes. There is also a feed-back from the Department of Statistics to the Exchange Control Department in regard to certain returns/statements/forms to help exercise control functions, or attend to other purposes like preparation of replies to Parliament questions. In addition, the Department

of Statistics undertake special tabulations of the data for their own research projects.

1.2 The flow of returns/statements/forms from authorised dealers to the Regional Offices of the Exchange Control Department and of the codesheets/coded returns/statements/forms from the latter to the Department of Statistics has not been regular and systematic for quite some time in the past. This was particularly so in the case of Calcutta Regional Office, where there was a steady deterioration of the situation during the last two to three years. Of late, the receipt position in respect of some of the other Regional Offices has also shown a tendency to worsen and become as bad as, if not worse than, the Calcutta Regional Office. This problem had engaged the attention of the authorities who reviewed the position from time to time, but no improvement could be achieved.

1.3 In a meeting held on 23rd February 1976 under the chairmanship of Dr. R.K. Hazari, Deputy Governor, and attended by Shri C.L. Thareja, Chief Manager, Shri V.V.Divatia, Statistical Adviser, Shri K.C. Banerjee, Controller, Exchange Control Department and Senior Officers of the Economic Department, Department of Statistics and Exchange Control Department, the issue was discussed once again. The Chief Manager suggested that the coding work should be entrusted to the Department of Statistics. The Exchange Control Department could then devote exclusive attention to the basic work of the Control. The Deputy Governor decided that an inter-Departmental Committee consisting of representatives of the Department of Statistics,

Exchange Control Department and Department of Administration & Personnel, should examine the question of feasibility of transfer of the coding work from the Exchange Control Department to the Department of Statistics. He also suggested that the Committee might conduct their study in Bombay and Madras where the Regional Offices of the Exchange Control Department had been given the services of one Research Officer each from the Department of Statistics for organising the coding work.

1.4 Accordingly, the Committee was constituted in May 1976 with the following as members:

<u>Department</u>	<u>Name</u>	<u>Designation</u>
Department of Statistics	Shri K.P.N. Nair	Adviser
-do-	Shri W.S. Saraf	Director
Exchange Control Department	Shri K.K. Saksena	Deputy Controller
-do-	Shri H.P.Nag Chowdhury	-do-
Department of Administration & Personnel	Shri A.P. Gaitonde	Deputy Manager

1.5 The first meeting of the Committee was held on 17th May 1976 when the broad plan of work was decided upon. It was felt that delay at various stages was a chronic affliction of the present reporting system and that a transfer of part of the work from one Department to another would not result in any improvement, unless the transfer is backed by appropriate

measures designed to tone up the entire system. The Committee decided to examine closely the present reporting system, identify the problems which had contributed to the bottlenecks and suggest corrective action. With these objectives in view, the Committee undertook a study of the procedures regarding the receipt of GR/EP forms and short shipment/shut-out notices from the Customs authorities, PP forms from Postal authorities and the various returns/statements/forms from authorised dealers, and the coding of the relevant data in the Bombay and Madras Regional Offices of the Exchange Control Department.

1.6 In the course of their study, the Committee observed that there was scope for avoiding some duplication of work as between the Customs and the Reserve Bank. Similarly, it was noted that the work of preparation of some of the enclosures to the R-returns, which are received from authorised dealers, could be dovetailed with the coding work done in the Reserve Bank and some avoidable duplication of work eliminated. The Committee had discussions with the Collectors of Customs at Bombay and Madras and also with the representatives of a few authorised dealers at both these centres about the practicability of implementing their suggestions in this regard. Discussions with the representatives of authorised dealers also covered other aspects of the reporting system such as the problems at their end causing delays in submission of the returns/statements/forms within the prescribed time limits. A list of the Customs Officers and officials of authorised dealers whom the Committee

met for discussions is given in Annexure 1.

1.7 The Committee also had separate meetings with the Chief Manager, Statistical Adviser, Controller and Additional Controller in the Central Exchange Control Department and Manager and Deputy Controller at Madras and also with other officer and non-officer staff associated with the relative items of work in the Bombay and Madras Regional Offices of the Exchange Control Department. The analysis of the weaknesses in the present reporting system and the recommendations for improvement are based on the information gathered by the Committee during their study of the reporting system and discussions with the concerned officials.

1.8 This Report is divided into six chapters of which this is the first. The second chapter gives a brief review of the present organisational arrangements for the receipt, coding and follow-up action in regard to non-submission and delays in submission of the returns/statements/forms. In the background of this review, the third chapter examines the feasibility of transfer of these functions to the Department of Statistics and contains the Committee's recommendations on this issue. The fourth chapter deals with the organisational and other administrative arrangements required for putting the reporting system on an even keel and ensuring that it will function smoothly and efficiently. The fifth chapter discusses certain rationalisation measures which could be introduced with advantage. The last chapter brings

together at one place the summary of the Committee's recommendations.

1.9 The Committee take this opportunity to place on record their deep gratitude to all who had spared valuable time for exchange of ideas with the members. They are particularly indebted to Shri K. Hariharan, Deputy Controller, Exchange Control Department, Madras, who had taken keen interest in their work and placed before the members many valuable suggestions. They deeply appreciate the assistance rendered by Sarvashri T.R. Devarajan, S.G. Patankar, D.S. Oak, V.S. Santhanam and B.S. Kelkar in assembling the statistical and other information and by Shri J.A. Pinto in attending to the secretarial work.

1.10 Shri K.K. Saksena had to proceed to West Germany for training in the last week of August 1976. In a meeting held on 21st August 1976, attended by Shri Saksena, the Committee discussed the draft of the Report and agreed on the recommendations. The Report, however, could not be finalised and signed before Shri Saksena went abroad.

CHAPTER 2

Present Organisational Arrangements

2.1 In both Bombay and Madras Regional Offices of the Exchange Control Department, the functions in regard to the receipt of returns/statements/forms pertaining to export transactions and outward and inward remittances of foreign exchange through authorised dealers, follow-up action for non-submission and delays in submission of such returns/statements/forms, coding and maintenance of the relative records are divided between the Exports Coding Section and the Local Statistical Section (called Returns Section in Madras). The former Section deals with the receipt, coding and follow-up relating to original GR/EP/PP forms and short shipment/shut-out notices and also the coding of duplicates and triplicates of GR/EP/PP forms and the part realisations on exports, viz., C2 and D2 items of the Supplementary Statements of Export Documents Handled. The latter Section receives the R-returns and their enclosures, viz., Supplementary Statements of Export Documents Handled, outward remittance forms, Supplementary Statements For Inward Remittances, and the relative schedules, and certain other returns/statements/forms prescribed for authorised dealers and attends to the follow-up in case of non-receipt and delays in receipt of such returns/statements/forms and also the coding of these returns/statements/forms other than the Supplementary Statements of Export Documents Handled and

duplicates and triplicates of GR/EP/PP forms. The organisational arrangements in other Regional Offices follow, more or less, the same pattern.

2.2 In regard to exports, the originals of GR/EP forms and short shipment/shut-out notices are collected from the local Customs Offices by a clerk of the Exports Coding Section on a daily basis at both Bombay and Madras. Similar arrangements exist in other centres where the Exchange Control Department and the Customs Offices are situated in close proximity; the outlying Customs Offices send such forms by post. PP forms are, in all cases, received through the postal channel. All the Customs Offices are now recording security numbers in serial order on the GR/EP originals. They also prepare a schedule containing the security number so allotted and the printed number of each individual form. A copy of this schedule is supplied to the Reserve Bank along with the relative forms.

2.3 On receipt of the GR/EP/PP originals, the Exports Coding Section verifies the forms with reference to the schedules received from the Customs/Post Offices and thereafter affixes a running check number (which is a six-digit serial number) on the individual forms. The forms pertaining to the local Office and other Offices (as determined with reference to the prefix of the printed number) are then sorted out and codesheets prepared separately, in duplicate for local Office forms and in triplicate for others. One set of the codesheets is sent to the Department

of Statistics and another is kept in the Section for reference purposes in connection with the feed-backs on discrepancies, inconsistencies, etc. The third set pertaining to the forms of other Offices serves as forwarding schedule for the purpose of despatch of the relative forms to the respective Regional Offices. A similar procedure is followed in the case of GR/EP/PP duplicates and triplicates received from authorised dealers along with the Supplementary Statements of Export Documents Handled, through the Local Statistical Section. The Exports Coding Section also prepares codesheets of short shipment/shut-out notices and part realisations on exports (viz., C2 and D2 items of Supplementary Statements of Export Documents Handled) and sends them to the Department of Statistics. The Supplementary Statements are sent to the Department of Statistics after their scrutiny in the Section. After coding, the GR/EP/PP forms (originals, duplicates and triplicates) and short shipment/shut-out notices, etc., are sent to the main Exports Section for follow-up action from the Exchange Control angle.

2.4 The Local Statistical Section is organised into different units for attending to the diverse functions relating to the receipt of returns/statements/forms, follow-up action in case of non-receipt and delays in receipt, coding, compilation of statistics and scrutiny of monthly statements relating to non-resident (external) accounts, blocked accounts, etc., and audit. The R-returns are received in duplicate. Soon after their receipt, one copy of each return is passed on to

the unit entrusted with the work of compilation of the ten-day data on foreign exchange purchases and sales, required by Government. The enclosures are then sorted out. The Supplementary Statements of Export Documents Handled, together with the relative schedules and GR/EP/PP duplicates and triplicates, are sent to the Exports Coding Section, while the Supplementary Statements For Inward Remittances, giving details of individual purchases of foreign exchange for the equivalent of Rs 10,000 and above, are released to the coding unit in the Local Statistical Section. The second copy of each R-return and the outward remittance forms along with the supporting documents such as exchange permits, Customs bills of entry, etc., are stitched together and sent to the Audit Cell for preliminary audit. On completion of the preliminary audit, the bunch of forms and other documents is returned to the Local Statistical Section, where the outward remittance forms are serially numbered and the bunch released to the coding unit. The other returns/statements/forms received from authorised dealers are transferred directly to the coding unit/the unit for compilation of statistics.

2.5 The coding unit of the Local Statistical Section prepares, in duplicate, codesheets of the outward remittance forms and the Supplementary Statements For Inward Remittances. One set of the codesheets is sent to the Department of Statistics and the other is retained in the Section for reference purposes in connection with feed-backs on discrepancies, inconsistencies,

etc. The bunches containing the second copies of R-returns, outward remittance forms and other enclosures are then released for manual compilation of certain statements and thereafter for final audit. The unit also codes the copies of the R-returns released after the compilation of the ten-day data on foreign exchange purchases and sales, and a few other returns/statements/forms and sends them to the Department of Statistics.

2.6 The preliminary audit, which was introduced in August 1974, covers all sale transactions. It includes not only the arithmetical check of the correctness of the totals of the amounts of individual transactions as recorded in the respective remittance forms and their entry against appropriate items in the R-returns and the correctness of the number of forms and other documents enclosed to each return, but also the checking about fraudulent transactions, signs of tampering, etc., in the permits/forms, and the scrutiny about any unusual feature in respect of any remittance. The consistency of the opening and closing balances reported in each R-return is also verified with the entries regarding purchases and sales recorded in the return, during this preliminary audit.

CHAPTER 3

Transfer of Receipt, Coding and Follow-up Work to the Department of Statistics

3.1 For building up an efficient management information system and also an effective system of accounting and administrative control, coding and follow-up action in regard to returns/statements/forms should be arranged with the minimum time-lag. We have examined carefully the question whether the coding work can be taken up in the Department of Statistics, with the receipt and follow-up in regard to non-submission and delays in submission of returns/statements/forms and discrepancies, omissions, etc., continuing as the functions of the Exchange Control Department. With such an arrangement, the coding work might possibly be speeded up in the Department of Statistics, by maintaining a sufficient complement of staff for the purpose, but the other features of the reporting system might remain unaltered. In particular, there might be no improvement in regard to issue of reminder letters and other follow-up action with respect to non-submission and delays in submission of returns/statements/forms. On the other hand, there will be considerable duplication of work as the arrangement would necessarily involve the maintenance of registers or lists regarding receipt of returns/statements/forms in both the Departments. In addition, records showing to and from movements of returns/statements/forms will have to be kept by both the Departments. Further, the returns/statements/

forms will have to be counted twice in the Exchange Control Department - first, at the time of their receipt from the Customs, authorised dealers and Post Offices and again when they are returned by the Department of Statistics after coding. The Department of Statistics will also have to count the returns/statements/forms while receiving them for coding from the Exchange Control Department. The arrangement will, thus, involve a large volume of infructuous work. We are, therefore, of the opinion that the functions of receipt, coding and follow-up in regard to non-submission and delays in submission of returns/statements/forms should be organised under a single administrative authority. This authority should also attend to the follow-up regarding missing information, discrepancies, etc., having a direct bearing on coding.

3.2 In the course of our examination of the pros and cons of entrusting the receipt, coding and follow-up functions to the Department of Statistics, a pertinent question came up whether the Department of Statistics would be able to get better response than the Exchange Control Department from authorised dealers who are beholden to the latter in many ways. There is, of course, considerable logic in the argument that the Exchange Control Department with which the authorised dealers are in constant touch in connection with their regular operations should get better co-operation from them than a Department which only attends to the statistical aspects of their transactions. A natural question arises as to why then

it has not been possible for the Exchange Control Department to reduce the delays, if not eliminate them altogether, in the submission of returns/statements/forms by authorised dealers. The only explanation we can think of is that the involvement of the Exchange Control Department in the reporting system has not been as deep as their involvement with the disposal of applications for release of foreign exchange, P-forms or other aspects of the pressing operational work. Over the years, the processing of returns/statements/forms, which should have been an integral part of the Control system, has come to lose its basic importance. This has been due mainly to (i) the growing volume of transactions, (ii) the multiplicity of returns/statements/forms, (iii) increase in the number of authorised dealers and their branches and (iv) inadequacy of staff. Later in this Report, in Annexure 4, we have juxtaposed our estimates of staff requirements for promptly attending to the receipt, coding and follow-up and the working strength during June 1976. It may be seen from this Annexure that in most Regional Offices, the receipt, coding and follow-up units were understaffed. Further, we understand that the Exports Coding and Local Statistical Sections often work with less than the sanctioned strength because of withdrawal of staff from these Sections to make-up shortfalls in the operational units. In the result, there is inadequate follow-up action and delays in coding. This itself is amply illustrative of the low priority assigned to the work relating to the

reporting system. We are afraid that this situation will continue so long as the functions of receipt and coding and follow-up are combined with the regular operational functions in the same Department. We, therefore, recommend that the Department of Statistics should attend to the receipt, coding and follow-up work. The follow-up work which we have in view comprises the follow-up for non-submission and delays in submission of returns/statements/forms, and omissions, discrepancies, etc., which have a direct bearing on coding work. Copies of the correspondence in regard to these omissions, discrepancies, etc., should be attached to the relative returns/statements/forms, when they are transferred to the Exchange Control Department.

3.3 We have examined in detail the question whether the transfer of these functions to the Department of Statistics will result in any delay or dislocation of the operational work of the Exchange Control Department. With adequate organizational arrangements, it should be possible to complete the coding work within a week or so of the receipt of returns/statements/forms and release them to the Exchange Control Department. A delay of this order in the availability of returns/statements/forms should not cause any inconvenience to the Exchange Control Department. We make this statement with the full knowledge that the transfer will involve a change in the priority of preliminary audit, which was introduced two years ago as a top priority item. We have observed that preliminary audit is considerably in arrears despite standing instructions that it

should be completed within one week. At the time of our visit to the Bombay Regional Office of the Exchange Control Department in June 1976, there were about 76,000 outward remittance forms, representing the receipts of a three-month period, pending such preliminary audit. Such a time-lag at the preliminary audit stage has, in effect, defeated the very purpose for which it was introduced, and has simultaneously resulted in increasing the delay in processing the outward remittance data for balance of payments compilations in particular and the information system in general. The procedure suggested by us will at once eliminate altogether one source of delay in the coding of outward remittance data, with only marginally delaying the release of returns/statements/forms for preliminary audit.

3.4 We have also given thought to the question whether preliminary audit is necessary at all. Since all the R-returns and outward remittance forms are subjected to a comprehensive and detailed audit subsequently, and in view of the introduction of various other security measures (e.g., percentage check of individual transactions by officers at the controlling level, issue of exchange permits on security paper with signatures of two officials, etc.) as required under the standing instructions of the Exchange Control Department, we are of the opinion that the preliminary audit may be dispensed with. The reconciliation of the R-return figures which is being done in the preliminary audit

can be done in the Department of Statistics within a comparatively short time, after examining on the machines the consistency of the figures of the coded R-returns, inter se and with the consolidated data of the codesheets of the corresponding outward remittance forms. Any discrepancy observed in this check can be taken up with the concerned authorised dealer by the Department of Statistics, and the correspondence endorsed to the Exchange Control Department. We understand that the Study Team on the Working of the Exchange Control Department, which submitted its report in September 1975, has also recommended that the preliminary audit should be dispensed with and there should be only one detailed audit and this recommendation has been implemented in the Bombay Regional Office. The procedure of examining the consistency at the post-coding stage, as proposed by us, should not cause any dislocation in the work regarding scrutiny of the transactions from the Exchange Control angle. On the contrary, the audit can be speeded up and the tendency for building up arrears held in check effectively, if not eliminated altogether, with the help of the machine feed-back from the coded R-returns and the relative codesheets. The success of the procedure will, of course, depend on the quickness with which the coding work is done and the feed-backs are prepared and furnished to the Regional Offices of the Exchange Control Department. With adequate staff for coding, we see no difficulty in organising the coding work within a week or so of the receipt of the

R-returns and their enclosures, and the preparation of feed-backs within a short time thereafter. We recommend that arrangements may be made accordingly in all the Regional Offices.

3.5 We have observed that the outward remittance forms and GR/EP/PP duplicates and triplicates received from authorised dealers are taken up for serial numbering after a considerable period which is sometimes two to two and a half months or even more from the date of receipt. In order to ensure that there is no loss of forms through misplacement or pilferage, it is essential that the serial numbering is done immediately on receipt of the forms. We accordingly recommend that the procedure of immediate serial numbering, as is being done in the case of original GR/EP/PP forms, may be introduced for these forms.

CHAPTER 4

Proposals For Administrative Arrangements

4.1 The transfer of certain functions to the Department of Statistics from the Exchange Control Department will not produce the desired results unless it is accompanied by adequate back-up measures to help the former Department organise the reporting system efficiently. In this chapter we discuss our recommendations regarding these measures. In the first place, we deal with the staff arrangements required. The other arrangements necessary are discussed subsequently.

Staff arrangements: Headquarters

4.2 The Department of Statistics should have adequately staffed regional units at all the centres where the Exchange Control Department has regional units for attending to the receipt, coding and follow-up in regard to the returns/statements/forms. The Department of Statistics should also have a unit at the Headquarters to function as the focal point of the reporting system - for receiving codesheets and coded returns/statements/forms from the regional units and sending them to the Data Processing Division for processing, for examining the feedbacks from the machines and for getting necessary corrections, etc., from the regional units and feeding them to the machines. The Headquarters Unit should also exercise supervision over the working of the regional units through frequent review of the progress of coding and follow-up work, and maintain liaison with the Central Exchange Control Department, authorised dealers, etc., for

extending higher level support to the regional units in the follow-up work entrusted to them. Further, it should liaise with the Central Exchange Control Department, the Economic Department and Government Departments, with a view to assessing how far their information requirements are being met by the present feed-backs, how these feed-backs should be modified in the light of changing requirements, etc. Another function of the Headquarters Unit should be the periodic review of the coding procedures and other aspects of the reporting system (e.g., proformae of the returns/statements/forms, codesheets, etc.), in the light of the analysis of the feed-backs on inconsistencies, discrepancies, etc., with a view to improving its efficiency through rationalisation.

4.3 The smooth working and efficiency of the reporting system would depend to a large extent on the efficiency and dynamism of the Headquarters Unit. In view of the responsibilities which the Unit will have to shoulder, we recommend that it should be headed by a Director of Statistics. This Officer should have the supporting officer staff of one Deputy Director of Statistics, one Research Officer and two Staff Officers Grade A. While the Deputy Director of Statistics is required for assisting the Director of Statistics in the liaison work at the Headquarters and also in the review of the working of the regional units (which should be with the help of periodic reports of work supplemented

by personal visits), the other Officers are required for helping the Director in organising the remaining items of work. The Unit should also have 4 Statistical Assistants and 4 Clerks Grade II. The Statistical Assistants are required for the scrutiny and analysis of feed-backs on inconsistencies, discrepancies, etc., reviewing the coding procedures and preparing notes on these aspects of the reporting system, and for generally assisting the Officers in ensuring that the reporting system functions smoothly and efficiently. The Clerks Grade II are required for maintaining the registers on the receipt of codesheets and coded returns/statements/forms from the regional units, the feed-backs from the Data Processing Division and their disposal and to help in the correspondence with the regional units. The Unit should also have the necessary supporting staff of Stenographer and Typists to attend to the dictation and typing work and Class IV staff to handle the large volume of codesheets/coded returns/statements/forms. Accordingly, we recommend the sanction of the following staff to the Headquarters Unit of the Department of Statistics on a permanent basis.

<u>Category of staff</u>	<u>Number to be sanctioned</u>
Director of Statistics	1
Deputy Director of Statistics	1
Research Officer	1
Staff Officers Grade A	2
Statistical Assistants	4
Clerks Grade II.	4
Stenographer Grade II	1
Typists	2
Peons	2
Mazdoor	1

The annual cost on account of this staff will be about Rs 3.63 lakhs. We suggest that the Unit may be called the Exchange Control Statistics Division.

Staff arrangements: Regional Units

4.4 Our study of the present arrangements for receipt, coding and follow-up work with regard to non-submission and delays in submission of returns/statements/forms has shown that they are inadequate. Coding work is considerably in arrears in the Bombay, Calcutta and New Delhi Regional Offices of the Exchange Control Department. The other Regional Offices are also in arrears, but the volume of arrears is comparatively small in Madras and only marginal at other centres. The follow-up work in regard to non-submission and delays in submission of returns/statements/forms also appears halting and tardy in the main Regional Offices. The line Officers of both the Bombay and Madras Regional Offices of the Exchange Control Department with whom we had discussions were of the unanimous view that the Exports Coding and Local Statistical Sections worked with insufficient staff strength most of the time, the working strength falling short of the sanctioned strength, which itself was short of the requirements for efficiently organising the reporting system. In the result, they averred, coding work had fallen into arrears and monitoring and follow-up had suffered; attempts were made from time to time to clear the arrears through overtime, but these failed to arrest the tendency for arrears to build up.

4.5 For the efficient working of the reporting system, the regional units should be so staffed that there will be not more than a week's work of coding/follow-up in the pipe-line. Keeping this in view, we have assessed the clerical staff requirements and these are set out in Annexure 2. In regard to coding work, this assessment is based on the average number of transactions reported in the codesheets during 1974 and 1975, the growth in these transactions as seen from the available codesheets of 1976, and the average output of coding work relating to different returns/statements/forms currently obtaining in the Bombay Regional Office of the Exchange Control Department. To the requirements so worked out, we have added the estimated staff required for attending to receipt, monitoring and follow-up, based on the expected volume of work-load on correspondence, the number of statements/returns/forms to be counted, etc. The average outputs of the Bombay Regional Office are the highest in many a case and by applying these as yardsticks, we have estimated the requirements on the conservative rather than the liberal side. We recommend that the average outputs at other Offices should be brought up at least to the Bombay levels. This will ensure that the estimated staff strength will be able to handle the work according to the schedule.

4.6 The details of sanctioned strength are available only on an overall basis for the Exports Coding Section and the Local Statistical Section. (The sanctioned strength and working strength of the two Sections in the different Regional Offices

are shown in Annexure 3). While the Exports Coding Section attends only to receipt, coding and follow-up work, the Local Statistical Section, in addition to these functions, attends to compilation of statistics, scrutiny of certain returns/statements/forms which are not coded, inspection of authorised dealers (with the teams of the Department of Banking Operations and Development), and audit. It is, therefore, not possible to compare our assessment of the required staff strength with the corresponding sanctioned staff strength. We had called for statistics relating to the actual staff deployed on different items of work during May 1976 from the Regional Offices of the Exchange Control Department. The working strength for receipt, coding and follow-up could be assessed from the details furnished by all the Regional Offices except Ahmedabad, Cochin and Kanpur. The Ahmedabad and Cochin Regional Offices advised that such a functional demarcation was not possible under the existing system of distribution of work. The recent Inspection Reports on these two Offices have, however, indicated such a break-up and we have made use of the same for arriving at the working strength. For Kanpur, no similar Report is available and it has not been possible to indicate the working strength. In Annexure 4 we have brought together the total staff requirements estimated by us in the manner described in paragraph 4.5 and the working strength on receipt, coding and follow-up functions, separately for each of the Regional Offices barring Kanpur.

The gap between the requirements and working strength is also shown in the same Annexure. It is seen that the working strength was short of the requirements in Bombay, Madras, New Delhi, Ahmedabad and Cochin Regional Offices, while it was adequate in Bangalore with the excess of a Clerk Grade I cancelling the deficit in the Clerk Grade II cadre. The gap between the requirements and working strength is wide in Bombay Regional Office where there has been a steep increase in the work-load in the recent past, the average number of export transactions per month having increased from 19,800 in 1975 to 23,000 in the first seven months of 1976 and of outward remittances, from 19,700 in 1975 to 21,000 in January 1976 which is the latest month for which information is available. We understand that the sanctioned staff strength of the Exports Coding and Local Statistical Sections of this office has, on the other hand, remained unchanged since 1968.

4.7 The Calcutta Regional Office was an exception with the working strength for receipt, coding and follow-up in excess of the estimated requirements. One reason for this is that the working strength is aligned with the low average outputs in coding work obtaining in that Regional Office as compared with those of Bombay which form the basis of our estimation of staff requirements. Another reason is probably the temporary augmentation of staff for these items of work so as to clear the arrears which had assumed enormous proportions in the recent past. The overall working strength of the Exports Coding and Local Statistical Sections of the Regional Office was in excess of

the sanctioned strength by 6 Clerks Grade I and one Clerk Grade II, as may be seen from Annexure 3, and apparently there was diversion of staff from other Sections to these Sections. Despite the relatively higher staff availability, the Regional Office is substantially in arrears in regard to coding work and till the average outputs are raised to the Bombay levels, no reduction in working strength should be considered.

4.8 Effective supervision at the higher level over the work of the clerical staff is extremely important for ensuring that coding work and follow-up in regard to non-submission and delays in submission of returns/statements/forms and discrepancies, inconsistencies, etc., are taken up promptly and no arrears are built up. At present, the Regional Offices of the Exchange Control Department do not have any whole-time Officer in Grade B or above for exercising supervision over the work of receipt, coding and follow-up, except in Bombay and Madras. In Bombay, a Research Officer of the Department of Statistics has been posted to the Exchange Control Department and he looks after the receipt, coding and follow-up work in the Local Statistical Section, in addition to some items of work of the Central Statistical Section. He, however, does not look after the work of the Exports Coding Section. The Madras Regional Office also has a Research Officer of the Department of Statistics, who looks after the work of both Exports Coding and Local Statistical Sections. At all other

centres, only part-time supervision over receipt, coding and follow-up by an Officer in Grade B or above from the Exchange Control Department is provided. In practice, this means there is no close higher level supervision at all. As the operational work makes priority demands on the time of the higher level Officers, receipt, coding and follow-up are left to be managed entirely by Staff Officers Grade A. We consider that full-time overall supervision of the work by an Officer in Grade B is absolutely necessary in each regional office. In Bombay, where the volume of work is heavy (accounting for about 45 per cent of the all-India work-load), and the staff strength will be more than 50, we consider that an Officer in Grade C will be essential to hold charge of the regional unit.

4.9 We have examined the requirements of Staff Officers Grade A for the regional units. These Officers have to undertake a percentage check of the coding work, scrutinise the feed-backs on inconsistencies, discrepancies, etc., and take steps to ensure that such errors in coding are avoided, supervise the correspondence work with the Headquarters Unit and arrange for prompt follow-up action in regard to non-receipt and delays in receipt of returns/statements/forms. Follow-up is a very important item of work, for, on it will depend the smooth and timely flow of returns/statements/forms from the authorised dealer and Customs authorities. Mere issue of reminder letters will not be an adequate follow-up. Personal contacts with the authorised dealers and Customs through visits to their offices might be necessary in certain circumstances. The Officer in charge of the

regional unit and the Staff Officers Grade A should undertake such visits. Having regard to the work-load, we find that the present sanctioned strength of Staff Officers Grade A in the regional units at Bombay, Calcutta, Madras, New Delhi and Kanpur is inadequate. Three additional Staff Officers Grade A are required in Bombay and an additional Staff Officer Grade A in each of the other Regional Offices. Our estimates of requirements of Officer staff in the different regional centres are presented side by side with the present sanctioned strength and working strength of these cadres in Annexure 6.

4.10 Summing up, we recommend that the regional units of the Department of Statistics should be constituted by the transfer of the sanctioned strength of the Exports Coding Sections, the working strength of the Local Statistical Sections attending to the specific items of work to be taken over and the additional strength indicated in the following summary statement.

Regional Office	Additional staff required for the regional units of the Department of Statistics					
	Officer Staff			Clerks		
	Gr.C	Gr.B	Gr.A	Gr.I	Gr.II	
Bombay	1*	(-1)ⓐ	3	9	5	
Calcutta	-	1**	1	-	-	
Madras	-	-	1	2ⓐ	(-2)ⓐ	
New Delhi	-	1	1	6	7	
Kanpur	-	1	1	-	-	
Ahmedabad	-	1	-	2	-	
Cochin	-	1	-	2	-	
Bangalore	-	1	-	1ⓐ	(-1)ⓐ	
Total:	1*	5+1**	7	19+3ⓐ	12	

*This would only require the upgradation of an existing post in Grade B.

**Sanction already exists; the post should be filled with the setting up of the regional unit.

ⓐNo fresh sanction is involved; only the existing posts in Clerks Grade II cadre have to be upgraded as Clerk Grade I; post

ⓑReduction in sanctioned strength, consequent on upgradation of existing posts.

The additional staff are required to be sanctioned on a permanent basis. The annual cost on the additional staff will be about Rs. 8.10 lakhs. As the present functional allocation of clerical staff at Kanpur is not clear from the information available with us, we recommend that at this centre, the estimated staff required for attending to these items of work, shown in Annexure 5, should be transferred to the regional unit of the Department of Statistics. The necessary realignment of the total clerical strength in terms of Clerks Grade I and Clerks Grade II may be made wherever necessary so as to conform to the break-up indicated in Annexure 5.

4.11 The Officers in charge of the regional units should be those with experience in statistical work, preferably with a background of systems analysis and design work, drawn from the cadre of Officers in the Department of Statistics.

4.12 We have not assessed the requirements of supporting staff such as Typists and Class IV staff. We have presumed that the staff of these categories who are now attending to the functions of receipt, coding and follow-up in the Regional Offices will be sufficient to handle the work, and they may be transferred to the regional units of the Department of Statistics.

4.13 If, as a result of the transfers recommended by us, either Department experiences shortages, the respective Department should seek sanction for additional staff on the basis of the felt needs. The transfers should not be held up on the basis of theoretical considerations of anticipated short-falls.

4.14 The regional units of the Department of Statistics should be viewed not merely as a part of the reporting system on Exchange Control, but as a machinery which should play its role in the wider context. These regional units should strengthen the hands of the Department in offering technical assistance and services to the other Departments of the Reserve Bank. For example, they should facilitate the organisation and conduct of sample surveys of foreign exchange transactions or other special studies on these transactions undertaken by the Exchange Control Department or the Economic Department. The Department of Statistics itself could benefit from the regional units liaising with the Registrars of Companies, for arranging expeditious despatch of company accounts, and with banks, for expediting the flow of Banking Statistics Returns. The setting up of these units should have a salutary effect not only on the reporting system on Exchange Control statistics, but also other reporting systems through which information flows into the Reserve Bank.

Follow-up

4.15 Timely flow of returns/statements/forms from the authorised dealers and other agencies is as important as adequate staff arrangements for ensuring that the reporting system works smoothly and efficiently. Uneven flow of returns/statements/forms can create bottlenecks and throw the system out of gear. Prompt follow-up action is, therefore, of the utmost importance. We recommend that

there should be an intensive follow-up for non-submission and delayed submission of returns/statements/forms. In the first stage, the regional units of the Department of Statistics should contact the defaulting authorised dealers and other agencies. If no reply is received within a fortnight, the Officers in charge of the Regional Offices of the Exchange Control Department and, if necessary, the Managers of the concerned Offices should be informed and their good offices enlisted in pursuing the matter. If their intervention produces no result within a week, the Exchange Control Statistics Division of the Department of Statistics should be informed and the Division should take up the matter at the highest level through the Deputy Governor, and keep the Central Exchange Control Department informed. In the case of nationalised banks, the Reserve Bank's nominees on the Boards should also be requested to pursue the matter. We also recommend that the non-submission and delays in submission of returns/statements/forms by authorised dealers should be included as an agenda item of the meetings of Chairmen of banks called by the Governor.

4.16 All these measures would, no doubt, have their beneficial impact, but they might not be adequate in certain situations. One of the main reasons for the delays in submission of returns/statements/forms, mentioned by the officials of authorised dealers with whom we had discussions, was the inadequacy of the staff sanctioned for their Returns Sections, i.e., the Sections which are entrusted with the task of submitting the returns/

statements/forms to the Reserve Bank. These Sections did not always have even the full complement of sanctioned staff; it was conceded that whenever any operational unit fell short of staff, the staff of the Returns Sections were drawn upon to fill the shortage. We had visited three controlling offices and one operating branch of authorised dealers. We observed that the operating branch posted a daily statement containing details of individual transactions to its controlling office. It also advised the controlling office about the daily aggregate purchases and sales by telex, telephone or telegram. We came to know from the controlling offices which were visited by us that their operating branches were prompt in reporting their transactions on a daily basis. In this background, we find it difficult to believe that authorised dealers are unable to make adequate arrangements for submission of returns/statements/forms within the prescribed time limits. We are convinced that they have not taken the time limits seriously, possibly because there is no effective follow-up action on the part of the Reserve Bank and delays in submission and even non-submission of returns/statements/forms, if and when detected, attract no punitive action. Looking at the way the Reserve Bank is lagging behind in the processing of Exchange Control statistics as evidenced by the publication of balance of payments data with a lag of one and a half to two years, authorised dealers cannot, perhaps, be blamed if they think that the Reserve

Bank does not take the reporting system seriously. For the success of the reporting system, it is imperative that the Reserve Bank makes it clear that it means business - that it is willing to hurt, if need be.

4.17 The Foreign Exchange Regulation Act, no doubt, empowers the Reserve Bank to cancel the licence to deal in foreign exchange, but this power is not invoked even in cases of serious violation of Exchange Control Regulations and can be probably never invoked when the offence is a mere delay in the submission of returns/statements/forms. There is no provision in the Act to impose any lighter punishment such as a fine. In practice therefore, there is nothing that the Reserve Bank can do by way of punitive action against recalcitrant authorised dealers who do not submit the returns/statements/forms in time. We recommend that a provision empowering the Reserve Bank to impose a fine for delay in submission of returns/statements/forms should be embodied in the Foreign Exchange Regulation Act. We have observed that both the Reserve Bank of India Act and the Banking Regulation Act have such provisions. Several other pieces of Central legislation also have provisions enabling imposition of fine for delay in submission of prescribed returns/statements or other information. For example, the Companies Act provides that a fine may be imposed for non-submission of the annual audited accounts of a company within the prescribed period. The inclusion of such a provision in the Foreign Exchange Regulation Act should at once have a salutary effect for the reason that it will indicate that

the Reserve Bank is serious in regard to the timely submission of the returns/statements/forms.

Arrears clearance

4.18 Arrears in coding and follow-up have clogged the pipe-line of the reporting system and expeditious steps are necessary to clear these arrears. Annexure 7 gives the estimated numbers of returns/statements/forms pending for coding as on 14th August 1976, separately for GR/EP/PP forms and the R-returns and their enclosures, in each of the Regional Offices. These were arrived at by multiplying the actual number of ten-day periods for which the coding work was pending, by the estimated number of returns/statements/forms per ten-day period. This Annexure also presents estimates of the work-load involved in coding these returns/statements/forms, expressed in terms of number man-days/ man-hours. The average outputs of the Bombay Regional Office of the Exchange Control Department were used in calculating the work-load in terms of man-days, which were converted into man-hours assuming effective working time of six hours per day. The arrears are substantial in three Regional Offices, viz., Bombay, Calcutta and New Delhi, comparatively small in Madras and only marginal at the other centres.

4.19 We do not consider it appropriate to load the Department of Statistics with these arrears. They will act as a serious drag on the functioning of the newly organised Regional units of the Department, which should concentrate on

ensuring timely receipt and coding of returns/statements/forms from the date of transfer of work to them. We, therefore, recommend that suitable measures should be initiated immediately in the Exchange Control Department for clearing the arrears with utmost expedition. The date of transfer of work to the Department of Statistics should be decided well in advance in order to enable the clearance of arrears and also make organisational arrangements in good time for the smooth transfer of work.

4.20 We have examined in detail the alternative arrangements which could be made for the expeditious disposal of these arrears. One alternative is the setting up of special Task Forces, either by drawing upon the staff of different Departments as was done in handling the work relating to the Voluntary Disclosure Scheme, or by posting fresh hands recruited for different Departments for an initial period in the Exchange Control Department, or by recruitment of staff on a purely temporary basis for a short period for this specific job. The other alternative is to clear the arrears through overtime. Our estimates of staff requirements under the two alternatives for clearing the arrears in about three months' time, on the basis of the average output levels obtaining in Bombay, are given in Annexure 8. In Ahmedabad, Bangalore, Cochin and Kanpur, the arrears are small and can be tackled by overtime or by posting additional Clerks (one Clerk Grade I and one Clerk Grade II) to the coding units of each centre for three to four weeks. In Madras, 2 Clerks Grade I and 3 Clerks Grade II will have to work for three months for clearing the arrears. Madras

is one of our fairly large-sized Offices and it should be possible to find this small complement of additional staff for the coding work for a temporary period. If this arrangement is not possible, the arrears should be cleared through overtime.

4.21 As Bombay, Calcutta and New Delhi are having voluminous arrears, it will be difficult to clear them within three months through overtime alone. It will, therefore, be necessary to set up special Task Forces in each of these Regional Offices. The size of the Task Forces can be kept to the minimum by supplementing their output with the output through continuous overtime of the regular staff deployed on coding work. The additional clerical and Staff Officer Grade A staff which we have recommended for the regional units of the Department of Statistics could form the nucleus of the Task Forces. In this way they will gain some experience of coding work before their transfer to the regional units of the Department of Statistics. Accordingly, we recommend that immediate arrangements should be made for setting up Task Forces and for overtime work on a regular basis to clear the arrears.

4.22 With the strengthening of the Staff Officer Grade A cadre, as recommended in paragraph 4.21 above, the organisation and supervision of the work of the Task Forces should not pose any problem. We do not anticipate any difficulty in regard to space for accommodating the Task Forces in Calcutta and New Delhi. The size of the Task Force required for Bombay is large. It is not practicable to accommodate such a large complement of staff

in the space presently under the occupation of the Exports Coding and Local Statistical Sections of the Bombay Regional Office. Therefore, more space has to be allotted to the Exchange Control Department in the Mercantile Bank Building. This building is ideally located for the setting up of the Task Force and later for housing the regional unit of the Department of Statistics and the Exports and Local Statistical Sections of the Bombay Regional Office of the Exchange Control Department, and we recommend that it may be utilised accordingly. In case this is not possible for any reason, the Task Force will have to be housed in a different building. In that case, having regard to the security angle, we propose that the GR/EP/PP duplicates and triplicates should be got coded by the Task Force. The GR/EP/PP originals and outward remittance forms, which are more important documents from the security angle, may be got coded in the existing coding units during regular working hours supplemented by overtime.

Location of the regional units
of the Department of Statistics

4.23 For a number of reasons, the security of the documents pertaining to Exchange Control transactions being the most important among these, it is essential that in each regional centre, the unit of the Department of Statistics and the Section of the Exchange Control Department's Regional Office entrusted with the responsibility of the distribution for further action or storage of the returns/statements/forms after their coding, should be housed in the same premises, preferably side by side. This will ensure the minimum handling

of returns/statements/forms and reduce the chances of loss through misplacement or otherwise. This will also provide opportunity for continuing the present interaction between the coding staff and the staff engaged in scrutinising the returns/statements/forms from the Exchange Control angle, which benefits the staff of both the units as well as the Bank.

Storage Space and Storage Facilities

4.24 Adequate storage space and facilities for storage are crucial elements in the orderly organisation of receipt, coding and follow-up action and subsequent storage of returns/statements/forms for retrieval when necessary. We have observed that in the Madras Regional Office of the Exchange Control Department, where space and facilities are no problem, the returns/statements/forms are stored in a very orderly manner. This is in sharp contrast to the unsatisfactory situation obtaining in the Bombay Regional Office of the Exchange Control Department, where these documents overflow from the Record Room to the top of the cupboards and the floor in the hall where the staff are seated. Within the Record Room itself, the returns/statements/forms spill over from the racks, all over the place. The orderly storage of returns/statements/forms in the Madras Regional Office is amply illustrative of what a lot of difference adequate space and facilities for storage can make. We recommend that the Reserve Bank should tackle the problem of **storage space and storage facilities** of the regional unit of the Department of Statistics and the Regional Office of the Exchange Control Department in Bombay on a top priority basis.

Centralised system of receipt of returns/
statements/forms from authorised dealers.

4.25 Authorised dealers are at present submitting several returns/statements/forms to the Reserve Bank, not all of which are coded. We have examined the question whether, in the reorganised set-up, authorised dealers should submit returns/statements/forms which are required to be coded to the Department of Statistics and send the other returns/statements/forms to the Exchange Control Department or alternatively, the receipt function in respect of all returns/statements/forms should be centralised in the Department of Statistics. In theory, there should be no difficulty in adopting the first alternative, but in practice, we feel that there might be slips by the authorised dealers and returns/statements/forms which should be addressed to the Department of Statistics might be sent to the Exchange Control Department and vice-versa. Such slips could lead to loss or misplacement of returns/statements/forms in addition to delays in coding work and might also result in avoidable correspondence with authorised dealers. The reporting system should be fool-proof and we feel that the receipt of all returns/statements/forms from authorised dealers should be centralised in a single unit so that there will be no possibility of any mix-up. Accordingly, we recommend that the regional units of the Department of Statistics should be the focal points for receipt of all

returns/statements/forms which the authorised dealers are required to furnish periodically in terms of the Exchange Control Regulations. These units should transfer forthwith to the Exchange Control Department such of the returns/statements/forms which are not required by them for processing.

CHAPTER 5

Some Suggestions for Rationalisation

5.1 Rationalisation of existing procedures was not one of the objectives of our study. However, it became obvious during the study that in certain areas there was scope for eliminating avoidable duplication of work through comparatively minor modifications in the procedures. We have examined the practicability of implementing our suggestions in this regard, in consultation with the representatives of the concerned organisations (Customs Offices and authorised dealers) and they did not visualise any difficulty in adopting them. We have also observed that certain statements which are now compiled manually can be processed much more expeditiously on the machines with either a little additional coding or no additional coding at all. Further, we have noted that there can be considerable simplification of the work of preparing a large number of statements now compiled manually with considerable time-lag, with the help of machine listings which can be obtained from the present codesheets. Our suggestions for rationalisation of procedures are discussed in this chapter. We are convinced that the implementation of these suggestions will quicken the availability of processed information required for various purposes.

Check numbering of GR/EP originals

5.2 As indicated in Chapter 2 (paragraph 2.2), the Customs authorities prepare a schedule of the individual GR/EP

showing therein the security numbers assigned to the forms and also the printed numbers appearing on the forms. In the Exchange Control Department, running check numbers are affixed on individual forms. These check numbers and the printed numbers are copied on the codesheets. The check numbering system was introduced as a security measure at a time when security numbering of GR/EP originals had not been adopted uniformly by all the Customs Offices. Since all the Customs Offices are now recording security numbers, which can be used for control purposes, there is no need to affix check numbers on the GR/EP originals. We recommend that the present system of check numbering of these forms in the Reserve Bank may be dispensed with, and simultaneously, the security numbers affixed by the Customs may be taken on the records created for further processing. This would have the added advantage of easy linkage with the Customs records, in case any back reference becomes necessary.

"Codesheet Books" for preparing Schedules

5.3 The Customs Offices usually maintain a record of GR/EP originals handed over to the Reserve Bank in a register. We had observed that the work of writing up this register and preparing the schedule of GR/EP originals by the Customs and of the relative codesheets in the Reserve Bank could be dovetailed. We had accordingly enquired of the Collectors of Customs at Bombay and Madras whether they anticipated any difficulty in getting the schedule prepared in books containing pre-printed

stationery, with two perforated detachable copies for the Reserve Bank and a non-perforated non-detachable copy for Customs' record. We had indicated that with a record of the GR/EP originals handed over to the Reserve Bank becoming available in book form, the Customs would not have to maintain a register of such forms, and that the duplication of work in writing the security numbers and printed numbers of GR/EP forms in the schedules/codesheets in the Customs and the Reserve Bank could be avoided. The suggestion was well received by both the Collectors. We recommend that the Department of Revenue and Banking, Ministry of Finance, Government of India, should be requested to instruct all Customs Offices to implement the proposal. The Reserve Bank should undertake to supply the "Codesheet Books" to the Customs. Expenditure on printing of codesheets is already being incurred by the Reserve Bank and the additional cost on account of the extra copy for Customs' record (which can be of a smaller size than the two copies for the Reserve Bank) and the binding of the sheets in book form should be marginal, whereas the advantage through elimination of avoidable work will be substantial.

5.4 Authorised dealers are required to prepare schedules of individual outward remittance forms, GR/EP/PP duplicates and triplicates for enclosing with the R-returns submitted by them. Dovetailing of this work with the codesheet preparation in the Reserve Bank is possible as in the case

of GR/EP originals. We had discussed the proposal for this dovetailing in our meetings with the officials of authorised dealers and we found it acceptable. We recommend that the Reserve Bank should supply appropriate "Codesheet Books", as in the case of GR/EP originals, interleaving perforated detachable, and non-perforated non-detachable sheets, to authorised dealers for preparation of these schedules. As in the case of GR/EP originals, the additional cost involved would be marginal, but there would be distinct gain through reduction in the copying work of form numbers and other details which are being recorded on the codesheets now.

5.5 Authorised dealers are also required to prepare and enclose with each R-return a Supplementary Statement For Inward Remittances. The information contained in this Supplementary Statement is coded on codesheets and sent to the Department of Statistics for processing. We observe that with minor modifications in the present proforma, the relevant codes can be entered in the Supplementary Statement itself and the Statement can be used as input document for machine processing. This would simultaneously contribute to speedier feeding of data to the machines and eliminate the avoidable duplication of work involved in transferring a large volume of information from the Supplementary Statement to codesheets. We recommend that the proforma may be modified suitably. Similarly, we have noted that the proformae of the Statements of C2 and D2 items (Statements of individual GR/EP/PP forms on which there was part realisation) enclosed with the Supplementary Statement of

Export Documents Handled can be modified suitably and the Statements themselves can be used as input document for machine-processing. We recommend that "Codesheet Books" with pre-printed stationery (as in the revised proforma given in Annexures 9, 10 and 11) should be supplied to authorised dealers for the preparation of the three Statements.

Statistical Statements compiled in
the Exchange Control Department

5.6 The Local Statistical Sections of the Regional Offices of the Exchange Control Department compile regularly a large number of statements from the returns/statements/forms received by them. These statements are sent by these Sections to the Central Statistical Section of the Central Exchange Control Department which consolidates them for the Department's own use, and for submission to the Government and the Division of Balance of Payments of the Economic Department. Some of these statements are compiled with considerable time-lag in the Central Statistical Section, the delay in most of the cases being on account of the delay in receipt of the statements from the Regional Offices. We have examined whether the compilation of these statements can be expedited through mechanisation. These statements may be divided into four Groups as shown in Annexure 12. Group I consists of statements which are compiled from the coded data of R-returns and their enclosures. They are very important for the quick appraisal

of trends in foreign exchange transactions, and for their quick availability they may be straightaway mechanised. Group II includes statements which can be compiled on machines with a little additional coding. We suggest that this additional coding work should be done and the statements processed on machines. The statements in Group III are based partly on coded data and largely on uncoded data relating to selected outward and inward remittances. It is possible to mechanise their compilation by appropriate modifications in the coding procedures, but it requires a more detailed study to decide whether there will be a distinct gain in time through mechanisation. We suggest that the proposed Exchange Control Statistics Division of the Department of Statistics should undertake this study. In the meantime the manual compilation of the statements may continue in the Exchange Control Department, but the work may be very much simplified by the Department of Statistics providing machine listings for the quick and easy identification of the outward and inward remittance forms relevant for the compilation of the statements. The statements in Group IV involve very low volume of data input and they may continue to be prepared manually in the Exchange Control Department.

The Long-term Perspective

5.7 The transfer of data required for a computerised Data Base and Management Information System from returns/statements/forms to codesheets and from there, to magnetic tapes through punch cards, involves delay. This can be eliminated altogether by

getting the information coded directly on the returns/statements/forms by providing code boxes on them and transferring the data to magnetic tapes with Direct Data Entry Systems, which are now very popular in the data processing field in foreign countries. Apart from cutting down delays in preparing the input for the Data Base and Management Information System, and releasing the original documents for accounting and administrative control, this procedure will lead to considerable saving through elimination of codesheet and punch cards. Although the codesheets and punch cards are eliminated, there will not be displacement of staff as clerical staff for coding the returns/statements/forms and operators for keying in the data on magnetic tapes will be required. Another advantage is that there can be further decentralisation of work, with the Data Entry Systems located at different regional offices; only the magnetic tapes with the data recorded thereon need be sent from the regional offices to the central computer system. Even this physical movement of magnetic tapes can be avoided by installing in the regional offices on-line Data Entry Systems hooked on to the central computer system through dedicated telephone lines.

5.8 We recommend that the Reserve Bank should take advantage of such technological developments in the data transmission and data processing fields to develop and streamline its Data Base and Management Information System,

for timely processing, efficient storage and quick retrieval of the data required for its functions of review and appraisal of policy and research. The goal of feeding the computer system directly from Regional Offices in this manner is, indeed, to be reached by stages, but the sooner it is reached, the better it will be. With the growing volume of foreign exchange transactions - exports transactions are already over 40,000 per month and the number of payments transactions is not far behind, and both, especially the former, are growing at a fast pace - only a sophisticated computerised system can promptly and efficiently cater to the complex information processing, storage, and retrieval requirements. We have noted that, during the last few years, the Reserve Bank has built up good expertise in the field of computerisation and can handle the developmental work in this field as an in-house project.

5.9 Finally, we would add that such an efficient computerised Data Base and Management Information System will also be of immense help in monitoring transactions and organising prompt and effective follow-up from the Exchange Control angle. With the increasing volume of transactions which should be expected with the growth in the economy, the present methods of follow-up will prove more and more inadequate to cope with the requirements. The 'Exception Lists', 'ABC Analysis' and such other material which the System can quickly and easily produce will be extremely useful complementary management tools for exercising Control.

CHAPTER 6

Summary of Recommendations

6.1 The functions of receipt, coding and follow-up for non-submission and delays in submission of returns/statements/forms and omissions, discrepancies, etc., which have a direct bearing on coding work, should be transferred to the Department of Statistics. Copies of the correspondence on omissions, discrepancies, etc., should be attached to the relative returns/statements/forms, when they are transferred to the Exchange Control Department. (Paragraph 3.2).

6.2 The preliminary audit may be dispensed with, and there should be only one detailed audit. The reconciliation of the R-return figures, which is being done in the preliminary audit, can be done in the Department of Statistics within a comparatively short time, after examining on the machines the consistency of the coded R-returns, inter se and with the consolidated data of the corresponding outward remittance forms. The detailed audit can be speeded up with the help of machine feedbacks on the consistency check of the figures of the coded R-returns. (Paragraph 3.4).

6.3 As in the case of original GR/EP/PP forms, the serial numbering of outward remittance forms and GR/EP/PP duplicates and triplicates should be done immediately on their receipt in the Reserve Bank. (Paragraph 3.5).

6.4 The Department of Statistics should have adequately staffed regional units and a Unit at the Headquarters to attend to the functions transferred to the Department. (Paragraph 4.2).

6.5 The Headquarters Unit should be under the overall charge of a Director of Statistics and should have a supporting staff of one Deputy Director of Statistics, one Research Officer, two Staff Officers Grade A, four Statistical Assistants four Clerks Grade II, one Stenographer Grade II, two Typists, two Peons and one Mazdoor. All the staff may be sanctioned on a permanent basis. (Paragraph 4.3).

6.6 For the efficient working of the reporting system, the regional units should be so staffed that there will be not more than a week's work of coding/follow-up in the pipe-line. The average outputs in all the Regional Offices should be brought up at least to the Bombay levels. (Paragraph 4.5).

6.7 In Calcutta, the working strength for receipt, coding and follow-up is in excess of the estimated requirements. This Regional Office is substantially in arrears in regard to coding work and till the average outputs are raised to the Bombay levels, no reduction in working strength should be considered. (Paragraph 4.7).

6.8 The regional units of the Department of Statistics should be constituted by the transfer of the sanctioned strength of the Exports Coding Sections and the working strength of the Local

Statistical Sections attending to the specific items of work to be taken over. In Kanpur, the present functional allocation of clerical staff is not clear from the information available; at this centre, the regional unit should be set up by the transfer of 7 Clerks Grade I and 4 Clerks Grade II (in addition to one Staff Officer Grade A sanctioned for the Exports Coding Section and one Staff Officer Grade A of the Local Statistical Section attending to the functions to be taken over). An additional staff of 5 Officers in Grade B, 7 Officers in Grade A, 19 Clerks Grade I and 12 Clerks Grade II should be sanctioned on a permanent basis for posting to different regional units. In addition, the existing post of Officer in Grade B in Bombay should be upgraded to Grade C, and the existing unfilled post in Grade B in Calcutta should be filled. The necessary realignment of the total clerical strength in terms of Clerks Grade I and Clerks Grade II should be made wherever necessary. (Paragraph 4.10).

6.9 The Officers in charge of the regional units should be those with experience in statistical work, preferably with a background of systems analysis and design work, drawn from the cadre of Officers in the Department of Statistics. (Paragraph 4.11).

6.10 The supporting staff such as Typists and Class IV staff attached to the Regional Offices of the Exchange Control Department, attending to the functions of receipt, coding and follow-up work, should be transferred to the regional units of the Department of Statistics. (Paragraph 4.12).

6.11 If either Department experiences shortages consequent on the transfers recommended, the respective Department should seek sanction for additional staff on the basis of felt needs. The transfers should not be held up on theoretical considerations of anticipated shortfalls. (Paragraph 4.13).

6.12 The regional units of the Department of Statistics should be viewed not merely as a part of the reporting system on Exchange Control, but as a machinery which should play its role in the wider context of improving the efficiency of all reporting systems through which information flows into the Reserve Bank. (Paragraph 4.14).

6.13 There should be an intensive follow-up for non-submission and delayed submission of returns/statements/forms. If the efforts of the regional units and the Officers in charge of the Regional Offices of the Exchange Control Department and Managers of the concerned Offices do not prove productive, the matter should be taken up at the highest level by the Department of Statistics through the Deputy Governor, keeping the Central Exchange Control Department informed. It should also be pursued through the Reserve Bank's nominees on the Boards of nationalised banks and in the meetings of Chairmen of banks convened by the

Governor. (Paragraph 4.15).

6.14 A provision empowering the Reserve Bank to impose a fine for delay in submission of returns/statements/forms by authorised dealers should be included in the Foreign Exchange Regulation Act. (Paragraph 4.17).

6.15 Suitable measures should be initiated in the Exchange Control Department for clearing all arrears in the coding and follow-up work with utmost expedition. The date of transfer of work to the Department of Statistics should be decided well in advance to enable the clearance of arrears and also make organisational arrangements in good time for the smooth transfer of work. (Paragraph 4.19).

6.16 The arrears are comparatively small in Madras and marginal in Ahmedabad, Bangalore, Cochin and Kanpur and they should be tackled through the posting of a few additional hands to the coding units for short periods or, if this is not possible, through overtime. (Paragraph 4.20).

6.17 In Bombay, Calcutta and New Delhi, the backlog of work is very large. Special Task Forces should be set up and overtime work arranged on a regular basis for clearing it. The additional staff recommended for the regional units of the Department of Statistics could form the nucleus of the Task Forces. (Paragraph 4.21).

6.18 In case it is difficult to find space for accommodating the Task Force in Bombay in the Mercantile Bank Building, it should be housed in a different building, and the coding of GR/EP/PP duplicates and triplicates got done by the Task Force, leaving the originals of these documents and the outward remittance forms, which are more important from the security angle, to be coded in the existing coding units during regular working hours supplemented by overtime. (Paragraph 4.22).

6.19 At each centre, the unit of the Department of Statistics and the Section of the Exchange Control Department's Regional Office entrusted with the distribution for further action or storage of the returns/statements/forms after their coding, should be housed in the same premises, preferably side by side. (Paragraph 4.23)

6.20 The Reserve Bank should tackle the problem of storage space and storage facilities of the regional unit of the Department of Statistics and the Regional Office of the Exchange Control Department in Bombay on a top priority basis. (Paragraph 4.24).

6.21 The regional units of the Department of Statistics should be the focal points for receipt of all returns/statements/forms which authorised dealers are required to furnish periodically. These units should transfer forthwith to the Exchange Control Department such of the returns/statements/forms which are not required for processing in the Department of Statistics. (Paragraph 4.25).

6.22 The present system of check numbering of GR/EP originals in the Reserve Bank may be dispensed with, and simultaneously, the security numbers affixed to these forms by the Customs authorities may be taken on the records created for further processing. (Paragraph 5.2).

6.23 The work of preparation of schedules of GR/EP originals by the Customs and of GR/EP/PP duplicates and triplicates by authorised dealers should be dovetailed with the work of preparation of codesheets in the Reserve Bank and avoidable duplication of work eliminated. For this, "Codesheet Books" of pre-printed stationery should be supplied to the Customs and authorised dealers for preparing these schedules. (Paragraphs 5.3 and 5.4).

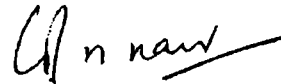
6.24 "Codesheet Books" of pre-printed stationery should be supplied to authorised dealers for preparation of the Supplementary Statement For Inward Remittances and Statements of C2 and D2 items enclosed with the Supplementary Statement of Export Documents Handled. (Paragraph 5.5).

6.25 A large number of statements are compiled regularly by the Regional Offices of the Exchange Control Department from the returns/statements/forms received by them and these are later consolidated in the Central Exchange Control Department. There is a considerable time-lag in the preparation of these statements. The

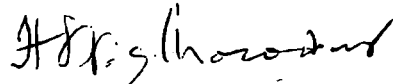
compilation of some of these statements can be mechanised straightaway and that of a few others, with a little additional coding. For the quick availability of processed data, these statements may be compiled on machines. Several of the remaining statements are based partly on coded data and largely on uncoded data of selected remittance forms. The Department of Statistics should examine whether these statements can be prepared expeditiously on machines through appropriate modifications in coding procedures. In the meantime, the work of manual compilation of the statements in the Exchange Control Department may be very much simplified by providing machine listings for the quick and easy identification of the relevant remittance forms. The other remaining statements involve very low volume of data input; they may continue to be prepared manually in the Exchange Control Department. (Paragraph 5.6)

6.26 The Reserve Bank should take advantage of the technological developments in the data transmission and data processing fields to develop and streamline its Data Base and Management Information System. With the growing volume of foreign exchange transactions, only a sophisticated computerised system can promptly and efficiently cater to the complex information processing, storage and retrieval requirements. (Paragraph 5.8).

6.27 An efficient computerised Data Base and Management Information System will also be of immense help in monitoring transactions and organising prompt and effective follow-up from the Exchange Control angle. The 'Exception Lists', 'ABC Analysis' and such other material which the System can quickly and easily produce will be extremely useful complementary management tools for exercising Control. (Paragraph 5.9).



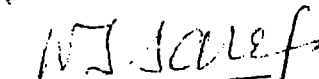
(K.P.N. Nair)



(H.P. Nag Chowdhury)



(A.P. Gaitonde)



(W.S. Saraf)

Bombay
27th September 1976

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A.1

ANNEXURE

Officials of Customs and Authorised Dealers
whom the Committee met

Customs

1. Shri J. Dutta, Collector of Customs, Bombay.
2. Shri G. Sankaran, Collector of Customs, Madras.
3. Shri C.V. Kumaresan, Assistant Collector of Customs, Madras.

Authorised Dealers

4. Shri Morgan Khan, Manager, International Banking Division, State Bank of India, Bombay.
5. Shri N.H. Mistry, Assistant General Manager, Central Bank of India, Bombay.
6. Shri A.R. Wadia, Chief Accountant, Central Bank of India, Bombay.
7. Shri Adi Nasirabadwalla, Central Bank of India, Bombay.
8. Shri Jimmy Chinoy, Central Bank of India, Bombay.
9. Shri A.K. Subramanian, Deputy General Manager, Dena Bank, Bombay.
10. Shri Lilit K. Joshi, Dena Bank, Bombay.
11. Shri S. Nilakantan, Dena Bank, Bombay.
12. Shri P.S.C. Kurup, Dena Bank, Bombay.
13. Shri A. Silveira, Chief Officer, Foreign Exchange Department, Indian Overseas Bank, Madras.

	Regional Office								Total
	Bombay	Calcu- tta	New Delhi	Kanpur	Madras	Ahmeda- bad	Cochin	Banga- lore	
1. A.D.s submitting returns/statements/forms (No.)	451	604	476	608	743	207	117	142	3,348
2. Average monthly receipts during 1974 & 1975 (No.)									
2.1 GR/EP/PP forms*	52,750	20,600	21,550	4,150	12,800	1,650	6,000	1,700	1,21,200
2.2 Outward remittance forms	19,300	5,900	7,050	1,450	5,550	1,450	950	3,000	44,650
2.3 Others	15,000	4,500	6,800	2,000	8,500	1,200	3,000	2,300	43,300
3. Estimated monthly receipts (No.)									
3.1 GR/EP/PP forms*	60,600	23,700	24,800	4,800	14,700	1,900	6,900	2,000	1,39,400
3.2 Outward remittance forms	21,250	6,500	7,750	1,600	6,150	1,600	1,050	3,300	49,200
3.3 Others	17,000	5,000	7,500	2,200	9,400	1,400	3,300	2,600	48,400
4. Estimated staff requirements									
4.1 Receipt and recording (Clerks Grade II)	7	3	3	1	2	1	1	1	19
4.2 Writing of code-sheets (Clerks Grade II)	26	11	12	3	8	2	3	2	67
4.3 Checking of code-sheets (Clerks Grade I)	18	6	8	2	6	2	3	2	47
4.4 Follow-up (Clerks Grade I)	4	5	4	5	6	2	1	1	28

A.3
ANNEXURE 3

Sanctioned Strength and Working Strength of the Exports
Coding and Local Statistical Sections of the Regional Offices
of the Exchange Control Department - May 1976

(S - Sanctioned strength; W - Working strength)

Regional Office	Exports Coding Section			Local Statistical Section			Total		
	Staff Offi- cer Grade	Clerks		Staff Offi- cer Grade *	Clerks**		Staff Offi- cer Grade A	Clerks	
		Grade A	Grade I		Grade A	Grade I		Grade I	Grade II
Bombay	S 2 W (1)	8 (5)	20 (16)	1 (1)	13 (13)	15 (15)	3 (2)	21 (18)	35 (31)
Calcutta	S 1 W (1)	10 (9)	16 (18)	1 (1)	9 (16)	21 (20)	2 (2)	19 (25)	37 (38)
Madras	S 1 W (1)	5 (4)	7 (5)	1 (1)	8 (8)	13 (13)	2 (2)	13 (12)	20 (18)
New Delhi	S 1 W (1)	4 (4)	5 (5)	1 (1)	9 (4)	6 (11)	2 (2)	13 (8)	11 (16)
Kanpur	S 1 W (1)	2 (2)	6 (6)	1 (1)	3 (3)	5 (5)	2 (2)	5 (5)	11 (11)
Ahmedabad	S 1 W (1)	1 (1)	3 (3)	1 (1)	2 (2)	3 (3)	2 (2)	3 (3)	6 (6)
Cochin	S 1 W (1)	2 (2)	4 (4)	1 (1)	4 (4)	3 (3)	2 (2)	6 (6)	7 (7)
Bangalore	S 1 W (1)	1 (1)	2 (2)	1 (1)	4 (4)	3 (3)	2 (2)	5 (5)	5 (5)
Total	S 9 W (8)	33 (28)	63 (59)	8 (8)	52 (54)	69 (73)	17 (16)	85 (82)	132 (132)

* Staff strength for receipt, coding and follow-up functions
mainly.

** Staff strength for all items of work of the Section.

A.4

ANNEXURE 4

Estimated Requirements and Working Strength of Clerical Staff for Receipt, Coding and Follow-up - May 1976

Regional Office	Estimated requirements		Working strength				Difference between estimated requirements and working strength	
	Clerks Grade I	Clerks Grade II	Exports Coding Section		Local Statistical Section		Clerks Grade I	Clerks Grade II
			Clerks Grade I	Clerks Grade II	Clerks Grade I	Clerks Grade II		
Bombay	22	33	5	16	5	8	12	9
Calcutta	11	14	9	18	9	7	-7	-11
Madras	12	10	4	5	5	5	3	-
New Delhi	12	15	4	5	2	3	6	7
Kanpur	7	4	2	6	..	..	..	..
Ahmedabad	4	3	1*	3*	1*	-	2	-
Cochin	4	4	2*	4*	-	-	2	-
Bangalore	3	3	1	2	1	2	1	-1

* Working strength as indicated in the recent Inspection Reports.

.. Information not available.

A.5

ANNEXURE 5

Additional Clerical Staff required to be sanctioned
for Receipt, Coding and Follow-up

Regional Office	Estimated requirements		Sanctioned strength of Exports Coding Section		Working strength of Local Statistical Section on receipt, coding and follow-up		Sanctioned strength of Exports Coding Section plus working strength of Local Statistical Section		Additional staff required to be sanctioned	
	Cle- rks Grade I	Clerks Grade II	Cle- rks Grade I	Clerks Grade II	Cle- rks Grade I	Clerks Grade II	Cle- rks Grade I	Clerks Grade II	Cle- rks Grade I	Cle- rks Grade II
Bombay	22	33	8	20	5	8	13	28	9	5
Calcutta	11	14	10	16	9	7	19	23	-	-
Madras	12	10	5	7	5	5	10	12	2	-2
New Delhi	12	15	4	5	2	3	6	8	6	7
Kanpur	7	4	2	6	..	..	..	..	..	..
Ahmedabad	4	3	1	3	1*	..	2*	3*	2	-
Cochin	4	4	2	4	..	..	2*	4*	2	-
Bangalore	3	3	1	2	1	2	2	4	1	-1

* Working strength as indicated in the recent Inspection Reports (on receipt, coding and follow-up)

.. Information not available.

ANNEXURE 6

Estimated Requirements, Sanctioned Strength and Working Strength of Officer Staff for Receipt, Coding and Follow-up - May 1976

Regional Office	Estimated requirements			Sanctioned strength with working strength indicated within brackets			Difference between estimated requirements and sanctioned strength		
	Staff Officer Gr.C	Staff Officer Gr.B	Staff Officer Gr.A	Staff Officer Gr.C	Staff Officer Gr.B	Staff Officer Gr.A	Staff Officer Gr.C	Staff Officer Gr.B	Staff Officer Gr.A
Bomaby	1	-	6	(-)	(1)	(2)	1	-1	3
Calcutta	-	1	3	(-)	(-)	(2)	-	-	1
Madras	-	1	3	(-)	(1)	(2)	-	-	1
New Delhi	-	1	3	(-)	(-)	(2)	-	1	1
Kanpur	-	1	3	(-)	(-)	(2)	-	1	1
Ahmedabad	-	1	2	(-)	(-)	(2)	-	1	-
Cochin	-	1	2	(-)	(-)	(2)	-	1	-
Bangalore	-	1	2	(-)	(-)	(2)	-	1	-
Total	1	7	24	-	3 (2)	17 (16)	1	- 5 - 1	7

A.7
ANNEXURE 7

Arrears in Coding GR/EP/PP Forms and Outward Remittance
Forms as on 14th August 1976

Regional Office	GR/EP/PP Forms			Outward Remittance Forms enclosed with	
	Originals	Duplicates	Triplicates	R1, R2, R3 and R4 returns	R5 returns
1. BOMBAY					
1.1. No. of ten-day periods*	1	22	21	13	9
1.2 Estimated no. of forms to be coded	8,000	1,38,600	1,26,000	80,000	8,550
1.3 Estimated workload					
- Man-days	39	1,206	600	400	57
- Man-hours	234	7,236	3,600	2,400	342
2. CALCUTTA					
2.1 No. of ten-day periods*	16	16	17	39	21
2.2 Estimated no. of forms to be coded	46,560	39,520	42,500	73,320	6,020
2.3 Estimated workload					
- Man-days	222	344	203	367	40
- Man-hours	1,332	2,064	1,218	2,202	240
3. DELHI					
3.1 No. of ten-day periods*	20	22	22	12	12
3.2 Estimated no. of forms to be coded	51,900	65,670	59,180	30,280	640
3.3 Estimated workload					
- Man-days	248	572	283	152	4.5
- Man-hours	1,438	3,432	1,698	912	26
4. KANPUR					
4.1 No. of ten-day periods*	1	1	1	1	1
4.2 Estimated no. of forms to be coded	220	690	685	535	2
4.3 Estimated workload					
- Man-days	1	6	3.5	3	-
- Man-hours	7	36	20	17	-

contd...

ANNEXURE 7 (Contd.)

Regional Office	GR/EP/PP Forms			Outward Remittance Forms enclosed with	
	Originals	Duplicates	Triplis	R1, R2, R3 and R4 returns	R5 returns.
5. MADRAS					
5.1 No. of ten-day periods*	2	8	7	3	3
5.2 Estimated no. of forms to be coded	3,500	13,080	10,710	5,740	390
5.3 Estimated workload					
- Man-days	17	114	51	29	2.5
- Man-hours	100	684	306	174	16
6. AHMEDABAD					
6.1 No. of ten-day periods*	2	2	2	1	1
6.2 Estimated no. of forms to be coded	320	460	460	530	2
6.3 Estimated workload					
- Man-days	2	4	2	3	-
- Man-hours	9	24	13	16	-
7. COCHIN					
7.1 No. of ten-day periods*	1	1	1	1	1
7.2 Estimated no. of forms to be coded	870	680	760	340	15
7.3 Estimated workload					
- Man-days	4	6	3.5	2	-
- Man-hours	25	36	23	11	-
8. BANGALORE					
8.1 No. of ten-day periods*	1	1	1	1	1
8.2 Estimated no. of forms to be coded	60	310	300	1,100	10
8.3 Estimated workload					
- Man-days	3		1.5	5.5	-
- Man-hours	18		9	35	-

* No. of ten-day periods for which coding work is pending.

Note: Estimates of workload given above pertain to writing of codesheets only; the checking of codesheets will involve about two-thirds of the workload on their preparation.

A.9

ANNEXURE 8

Staff Requirements for Clearing the Arrears in Coding
within Three Months through two Alternatives, viz.(1)
Posting of Additional Staff and (2) Resorting to Overtime
Work

Regional Office	Alternative 1 Posting Additional Staff		Alternative 2 Resorting to Overtime ^{work} (at the rate of 20 hours per head per week)	
	No. of clerks required for coding (Clerks Gr.II)	No. of clerks required for checking (Clerks Gr.I)	No. of clerks required for coding (Clerks Gr.II)	No. of clerks required for checking (Clerks Gr.I)
Bombay	32	22	58	39
Calcutta	17	12	29	20
Madras	3	2	5	4
New Delhi	18	12	32	22
Kanpur	1*	1*	1+	1+
Ahmedabad	1**	1**	1++	1++
Cochin	1*	1*	1£	1£
Bangalore	1**	1**	1+	1+

- * Additional staff required for 3 weeks only
 ** Additional staff required for 2 weeks only
 + Overtime required for 4 weeks only
 ++ Overtime required for 3 weeks only
 £ Overtime required for 5 weeks only

ANNEXURE 10

Statement on Part Realisations - Item C2 of

Statement of Export Documents Handled

For the period ending :

AD Name and Address: _____

Code : _____

Sl. No.	Date of shipment	Exporter	GR/EP/PP Form No.	Date of realisation	Country		Currency		Amount realised
					Name	Code	Name	Code	

4.4

ANNEXURE 12 (C)

Group II - Statements which can be prepared on the machines with the coding of a few items in the returns/statements/forms

Sl. No.	Name of Statement	Source Document	Periodicity	Item to be coded
1.	Statement showing countrywise figures of Imports and Exports to/from Bilateral Account countries	R5 returns	Monthly	Country
2.	Statement of operations of NR Rupee account of the 'Bank for Foreign Trade of the U.S.S.R.' maintained with authorised dealers in India	R5 returns and state-ments received from DAD	Monthly	Country
3.	Statement of purpose code No. 301 (FTS)	Remittance forms	Monthly	Number of persons
4.	-do- (MTS)	- do -	Monthly	-do-
5.	Statement of operations of N.R. (Ext.) accounts	NR External A/C state-ments received from authorised dealers	Monthly	Authori- sed dealer & Country
6.	Statement showing position of balances held by banks in Bilateral Account Countries	Statements received from autho-rised deal-ers	Monthly	Foreign banks; Country and AD
7.	Statement of earnings from tourism	-do-	Monthly	Authori- sed dealer
8.	Statement of Foreign Exchange collections by money changers	Statements received from money changers	Quarter-ly	Category of licence holder

ANNEXURE 12 Contd.

Group III : Statements based partly on coded data and largely on uncoded data of selected outward and inward remittance forms

No.	Name of Statement	Source Document	Periodicity
1.	Supplementary statement of credits to N.R. Rupee account of banks, branches and correspondents with authorised dealers in India	Remittance forms	Monthly
2.	Supplementary statement of debits to N.R. rupee accounts of banks, branches and correspondents with authorised dealers in India	Supplementaries to R5 returns	-do-
3.	Supplementary statement of details in respect of remittances of Sterling and Sterling Area currencies	Remittance forms	- do -
4.	Supplementary statement of details in respect of remittances of non-Sterling Area currencies	-do-	- do -
5.	Statement showing remittances effected by foreign missions in India and their staff enjoying diplomatic privileges	-do-	- do -
6.	Statement of remittances made on account of surplus freight/passage earnings by foreign airlines/steamship companies operating in India	-do-	Quarterly
7.	Statement of remittances of profits/dividends to countries outside India by foreign firms and business houses etc.	-do-	Annual
8.	Statement showing remittances received in India for investment in industry or business	Supplementaries to R returns	Monthly
9.	Supplementary details in respect of receipt of Rs.10,000/- and above reported in R1 & R3 returns	-do-	-do-

..... contd.

A.16
ANNEXURE 12 (contd.)

Sr. No.	Name of Statement	Source Document	Periodicity
10.	Supplementary details in respect of receipt of Rs.10,000/- and above reported in R2 & R4 returns	Supplementaries to R returns	Monthly
11.	Statement of inward remittances received for maintenance of foreign embassies and diplomatic missions belonging to other than Bilateral Group countries	Supplementaries to R-returns	-do-
12.	Statement of inward remittances received for maintenance of foreign embassies and diplomatic missions belonging to Bilateral Group countries	Supplementaries to R5 returns	-do-
13.	Supplementary statement of details in respect of credits in excess of Rs.1,000/- to N.R. Government Rupee accounts	Statements of N.R. Govt. Rupee Accounts received from authorised dealers	-do-
14.	Supplementary statement of details in respect of debits in excess of Rs.10,000/- to N.R. Government Rupee accounts	-do-	-do-
15.	Statement showing the remittances received by missionaries (Individuals and Institutions) cultural/religious organisations and charitable institutions in India	Supplementaries to R returns	Quarterly
16.	Statement showing remittances made against licences issued under IDA Credit	Remittance forms	Monthly

ANNEXURE 12 (Contd.)Group IV - Statements with low volume of
data input

Sl. No.	Name of Statement	Source Document	Periodicity
1.	Statement of operations on N.D.R.S. Special accounts	Statements received from authorised dealers	Quarterly
2.	Statement of remittances made in pound sterling against UK/India, maintenances/capital investment	-do-	Monthly
3.	Transactions in shares and securities involving credits and debits to non-resident rupee accounts of individuals and firms in India	A7(C) forms	-do-
4.	Statement of remittances sanctioned for chartering of foreign vessels	Statements received from Regional Offices	Quarterly
5.	Statement of exchange released to Indian business houses for opening branches or setting up independent subsidiaries abroad	-do-	-do-
6.	Statement of students proceeding to U.K., U.S.A. and other countries for further studies	-do-	Monthly
7.	Statement of applications approved of trainees proceeding outside India for training in factories, industrial firms etc.	-do-	-do-
8.	Statement of deferred payments approved for imports into India	-do-	-do-
9.	Statement showing remittances made to P.G. Ports	Statements received from Economic Department	-do-