

Chapter II  
FINANCIAL DEVELOPMENT OF INDIA,  
1951-52 to 1970-71

Section I  
Introductory

Financial development means changes in the financial structure of a country. As we have already outlined in Chapter I, the process of financial development goes hand in hand with the process of real development. Financial accumulation means accumulation of primary securities i.e. issues of debt by the non-financial spending units. Thus, financial accumulation means accumulation of financial assets and debt.

Financial Development and Economic Growth:

During the process of economic development a country's financial structure becomes increasingly rich in financial assets, institutions and markets.<sup>1</sup> During the process of economic development generally financial assets grow at a faster rate than the national income and wealth of a country.<sup>2</sup>

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<sup>1</sup>John G. Gurley and Edward S. Shaw., "Financial Structure and Economic Development", Economic Development and Cultural Change, Vol. 15, April 1967, p. 257.

<sup>2</sup>Ibid., p. 257.

See also, Raymond W. Goldsmith, Financial Structure and Economic Development, Yale University Press, 1969, p. 44.

It means that the ratio of financial assets to national income will have a tendency to rise with the increase in national income. Thus, Gurley and Shaw rightly observed that "Financial growth in excess of real growth is apparently a common phenomenon around the world."<sup>3</sup>

It would be fallacious to think that the pattern of financial development would be similar in all respects in all the countries. The differences in the pattern of financial accumulation and financial development may be on account of differing rates of growth of output, differing sectoral distribution of saving and investment and due to alternative techniques adopted for mobilising the economic surplus to finance economic development.<sup>4</sup> The countries may exhibit differences in the pattern of financial accumulation and financial development as the governing economic forces and evolution of financial institutions would not be similar in all the countries. However, some common and broad features of pattern of financial development have been observed.<sup>5</sup> For example, during the process of economic development financial

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<sup>3</sup>John G. Gurley and Edward S. Shaw., Op.Cit., p. 258.

<sup>4</sup>Ibid., pp. 260-261.

<sup>5</sup>See, Comparison of American and Japanese financial development made by David J. Ott, in "Financial Development of Japan", The Journal of Political Economy, April 1961. P. 131-34.

ratios tend to rise. As Raymond W. Goldsmith writes, "the evidence now available is more in favour of the hypotheses that there exists only one major path of financial development, a path marked by certain regularities in the course of financial interrelation ratio, in the share of financial institutions in the total financial assets, in the position of the banking system, .... a path along which they have travelled at different speed, again in the sense of both calendar time and of phases of economic development, and a path from which they have deviated only to a minor extent."<sup>6</sup>

#### Logic of Financial Development:

Rapid growth of the economy requires spending of resources in the most productive channels and productive spending opportunities are to be exploited. If such opportunities are to be seized then some spending units must spend in excess of their current incomes, while others spend less than their current incomes. Typically economic opportunities are unevenly perceived and exploited by the economic units. Some units are quick to realize these opportunities. This cannot be done with balanced budgets. This requires budget imbalances. This can be done only by issuing primary

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<sup>6</sup>Raymond W. Goldsmith., Op.Cit., p. 40.

securities by the deficit spending units and accumulation of financial assets by the surplus spending units. Thus, it is reasonable to believe that high growth rate of income requires budget imbalances. It would be indeed surprising if high growth rate can be achieved by ubiquitous balanced budgets, and it would be equally surprising if real growth requires large budget imbalances. Because spending in most productive channels would result in increases in current incomes and that would narrow down the gap between current expenditures and current incomes. Thus, we can reasonably believe that though the real growth demands budget imbalances, it does not demand extreme budget imbalances. Thus, it is suggested that the financial assets would accumulate moderately.<sup>7</sup> During the process of economic development, thus there takes place accumulation of financial assets, that is, quantitative changes in the financial structure of a country. Along with the quantitative changes there also take place qualitative changes in the financial structure of a country, such as the increase in the variety of financial assets and an increase in the share of financial intermediaries in the holding of primary securities.

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<sup>7</sup>David J. Ott., Op.Cit., 135-136.

### Concepts and Definitions:

Financial assets are created by the non-financial spending units of the economy. The non-financial spending units are defined as those units which are engaged in production and purchase of output and not in buying one type of securities and issuing another. The financial assets which are created by the non-financial spending units are called "primary securities".

Primary securities comprise of all debt and equities of the non-financial spending units. The non-financial spending units are grouped into three sectors: the government sector, the corporate sector (i.e. organised business sector) and the household sector. The household sector comprises of unincorporated productive units including trade and agricultural farms. It also includes consumers households. The non-financial spending sectors issue primary securities of different forms. The primary securities can take forms of government debt, corporate stock, corporate bonds, trade and business debt, consumer debt and agricultural debt etc.

At any time during the growth process, accumulated primary securities valued at issue prices, are equal to the sum of the primary securities issues in each year of the growth process plus the initial stock of the primary securities issues.

## Section II

### Sources and Nature of Data

In order to understand the nature of Financial Development we have to build up the data relating to issues of primary securities. This has not been an easy task. A wide variety of sources of data had to be used. Even then, the coverage was not complete. Estimates had to be made for several items. Finally, for some of the items even estimates were not possible.

### Three Sectors

We can appreciate the relative limitations of the data if we divide the economy into three sectors, namely, the government sector, the corporate sector and the household sector. The availability of the financial data in regard to these three sectors differs significantly. But before we go into this, we should appreciate the fact that a preponderant part of the Indian economy is still organized on household unincorporated small-scale enterprises basis, unlike the developed countries. In the developed countries the government sector and the corporate sector account for the bulk of economic activities. The household sector in developed countries is a residual sector in true sense of the word. The importance of the household sector in the

Indian economy is brought out by the following figures relating to the year 1960-61.

<u>Sector</u>	NDP at Factor cost 1960-61 prices (Rs. in crores)	Percent to Total
Public Administration and Defence.	5,38	4.0
Public Enterprises	8,84	6.6
Private enterprises in organized sectors	19,87	14.9
Unorganised sector.	99,26	74.4
Total	<u>133,35</u>	<u>100.0</u>

Source: National Accounts Statistics 1960-61 to 1974-75, October 1976, Central Statistical Organization, Government of India, Tables 8 and 9.

NDP: Net Domestic Product

Nearly three-fourth of the domestic product originated in the household sector. The data in regard to the financial transactions of this sector are incomplete and of uneven quality.

#### Government Sector

Data in regard to the government sector are comprehensive, most readily available and completely reliable. The Reserve

Bank of India publications Report on Currency and Finance published annually and the Reserve Bank of India Bulletin a monthly publication (some of the issues) give data relating to the central and state governments' debt and the debt position of the local governments.

For each year, net issues of government debt, are the difference between government sector debt issues outstanding at the beginning and at the end of the year. Government debt issues include the central government debt issues, the state government debt issues and the local government debt issues. The central government debt issues include all the domestic or internal debt issues including the loans given by the Reserve Bank of India and foreign debt or external debt issues. State governments debt issues are net of borrowings from the central government. Similarly local government debt issues are net of borrowings from the central and state governments, so as to avoid double counting.

The data relating to the government sector net issues of debt are presented in Appendix Tables II-A-1 and II-A-2. Careful attention is invited to the notes to the tables. One more point which may be noted is that in the Appendix Table II-A-1, the outstanding external debt jumps from Rs. 2,59,062 lakhs in 1965-66 to Rs. 4,63,338 lakhs in 1966-67. This is not due to any



sudden increase in the net issues of the external debt but due to devaluation of the Rupee in 1966.

### Corporate Sector

Data relating to the corporate sector are comprehensive in regard to the paid-up capital but have to be estimated in regard to other types of debts. Even in regard to the paid-up capital, considerable processing had to be done. The corporate stock issues i.e. the paid-up capital, could be directly obtained from the publication Joint Stock Companies in India published by the Ministry of Commerce and Industry, government of India. The publication gives the paid-up capital of all the joint stock companies. From this total, we deduct the paid-up capital of the insurance companies and banking and loan companies, in order to arrive at the outstanding stock of the non-financial corporate sector. These are shown in Appendix Table II-A-3. Data relatively to government and non-government non-financial joint stock companies stocks are separately shown.

The corporate sector however borrows from external sources also. While data relating to corporate stocks is complete, such is not the case in regard to borrowings from banks statutory financial corporations, other financial institution, and trade dues and borrowings from others. Fortunately the Reserve Bank of India has undertaken studies on finances of joint stock company and these

studies have been compiled in two volumes published under the title of Financial statistics of joint stock companies in India. Combined Balance sheets of the sample joint stock companies are presented therein. They cover the sample studies of non-financial, non-government and government companies. With regard to non-government companies they cover the sample studies of various segments of the non-government companies which are as follows:

- (1) Medium and large public limited companies, available from 1950-51 onwards.
- (2) Medium and large private limited companies, available from 1955-56 onwards.
- (3) Small public limited companies, available from 1960-61 onwards.
- (4) Small private limited companies, available from 1963-64 onwards.
- (5) Branches of foreign companies, available from 1960-61 onwards.

It is possible to use these sample studies for blowing up the data for the entire corporate sector. This is done separately for the non-government non-financial companies and the government non-financial companies. Appendix Tables II-B-4 and II-B-8 show the paid-up capital of the sample non-government non-financial companies and the paid-up

capital of the sample government non-financial companies respectively. The paid-up capital of the sample companies is expressed as a percentage of total paid-up capital in each year and this is used for blowing up the sample estimates of debt to obtain the total debt issues as also the types of debts for the entire non-financial non-government corporate sector for each of the year and for the government non-financial corporate sector for each of the year. Though small public limited companies and small private limited companies, sample data for which became available from 1960-61 and 1963-64 onwards respectively, are more numerous, they account for only a small proportion of the paid-up capital of the entire non-government non-financial corporate sector. Thus the sample coverage available from the Reserve Bank studies is reasonably good particularly from 1955-56 onwards when the data relating to large and medium private limited companies became available. The estimates of various debt issues of all the non-government non-financial joint stock companies are presented in Appendix Tables II-B-2,3,4,5 and 6. Here it should be brought to the notice that upto 1965-66 the borrowing of joint-stock companies was classified according to the type and forms of borrowing, whereas from 1966-67 onwards it was classified according to the credit agencies.<sup>8</sup>

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<sup>8</sup>Financial Statistics of Joint Stock Companies in India, 1960-61 to 1970-71, Reserve Bank of India, Bombay, 1975, p. 34.

As a result we find that borrowing in the form of mortgages in the balance sheet of the sample companies is shown upto 1965-66, whereas borrowing from other financial institutions is shown from 1966-67 onwards. Generally, financial institutions lend credit to the joint stock companies on the basis of mortgages of property and other tangible assets. Therefore, borrowing in the form of mortgages is treated as borrowing from "other financial institutions or agencies." Here it should be pointed out that "borrowing from others" which is presented in Appendix Table II-B-5, is a residual category, which includes borrowing from others and also from government, debentures, miscellaneous and non-current liabilities.

We could easily estimate the debt issues of non-financial government joint-stock companies for the period 1959-60 to 1970-71 by blowing up the figures given in the balance sheets of the sample government joint-stock companies. The sample studies of government companies are available from 1959-60 onwards separately for the central and state government companies in Financial Statistics of Joint-stock Companies in India, 1960-61 to 1970-71<sup>1972-71</sup>. The Appendix Table II-B-8, column 4 gives the total paid-up capital of sample government companies (i.e. central and state government companies) and column 6 of the Appendix Table II-B-8 gives the percentage of the paid-up capital of the sample government companies to the total paid-up capital of all government

companies. With the figures given in column 6, Appendix Table II-B-8, we have blown up the figures given in the balance sheet of sample government companies, to get the estimates for all the government companies for the period 1959-60 to 1970-71. These estimates are presented in Appendix Tables II-B-9, 10, 11, 12 and 13.

In the estimation of government debt issues for the earlier period from 1950-51 to 1958-59, we faced the difficulty due to non-availability of the sample studies of the government companies. We have therefore based our estimates on the debt issues in the year 1959-60 the first year for which the sample data are available for the government companies. On the basis of government debt issues in this year, we derived the ratios for each debt issues in relation to the paid-up capital in the year 1959-60. By applying these ratios to the given paid-up capital for each year, we have obtained the series of government debt issues for the period from 1950-51 to 1958-59. These estimates of government debt issues for the years 1950-51 to 1958-59 are presented in Appendix Table II-B-7.

In connection with the estimation of government debt issues, there came up another difficulty about the non-availability of figures of paid-up capital for the period from 1950-51 to 1954-55. The paid-up capital of government companies

were Rs.66,00 lakhs and Rs.72,60 lakhs in the year 1955-56 and 1956-57. Thus, the paid-up capital in the year 1956-57 increased by more than Rs.600 lakhs. On this basis we assumed that the paid-up capital of the government companies increased by Rs.600 lakhs in each year during the period 1950-51 to 1954-55. On the basis of this assumption we arrived at the figures of paid-up capital for the period 1950-51 to 1954-55. (For instance, by deducting Rs.600 lakhs from the figure of paid-up capital (i.e. Rs.66,00 lakhs) for the year 1955-56, we arrived at the figure of paid-up capital for the year 1954-55). Arriving at the paid-up capital of the government companies by making the arbitrary assumption would not significantly affect our analysis. First of all, the basis of estimation (i.e. paid-up capital for the year 1955-56 and 1956-57) and the rate of increase in the paid-up capital (i.e. Rs. 600 lakhs in a year) are themselves small in magnitude, the estimated paid-up capital is relatively smaller in magnitude compared to that in the year 1955-56 and 1956-57, and so also other debt issues as they are some fraction of paid-up capital.

By summing up debt issues of non-government and government companies we prepared the series of corporate sector debt issues which are presented in Appendix Tables II-B-14, 15, 16, 17 and 18.

For each year, net issues of corporate sector debt represent the difference between outstanding corporate sector debt issues at the beginning and at the end of a year.

### Household Sector

Household sector comprises of rural cultivating and non-cultivating families in the rural areas and unincorporated business units in the urban areas. Unlike in the developed countries, the household sector occupies the most important place from the point of view of contribution to net national product. About three-fourths of the national product in India originates in the household sector. Unfortunately the data are the weakest in respect of this sector. This is because the household sector borrows from friends, relatives, money lenders, <sup>and</sup> indigenous bankers to a larger extent. That is the borrowings from the unorganized financial sector are the most important source of external finance for the household sector. However, data relating to the operations of the unorganized financial sector are scanty. The household sector does borrow from the organized financial sector, that is, from the banks, co-operative societies and the government and recently from the special financial institutions. To that extent we are able to gauge the dimensions of external financing by the household sector. Thus the borrowings of

the agriculturists from the co-operative credit societies and the borrowings of the traders and other business units in urban areas from the banks can be assessed from the published statistics relating to co-operative credit societies and commercial banks.

At first sight it would appear that the picture relating to the household sector will be incomplete and lacking in information relating to the most important aspect namely borrowings from the unorganized sector. However, there are certain relieving features. In the first place, the household sector in the Indian economy comprises of such tiny units that for many of them probably external financing is insignificant relatively as well as absolutely. In fact, in the rural areas, many units are in the self-sufficiency stage or the barter stage. Secondly, after Independence, various legislative measures and institutional developments such as opening of the co-operative credit societies and branches of commercial banks in smaller towns, have undermined the position of the unorganized financial sector. The unorganized financial sector is therefore, a relatively declining source of finance. Thirdly, for three bench mark years, namely, 1951-52, 1961-62 and 1971-72, we have data relating to the debt incurred by the cultivating <sup>and</sup> the non-cultivating households in the rural areas. For 1951-52, the data are available



from the All India Rural Credit Survey Reports; for 1961-62 the data are available from All India Rural Debt and Investment Survey, 1961-62; and for 1971-72, data are available from the All India Debt and Investment Survey, 1971-72. All the three studies were undertaken and published by the Reserve Bank of India.

In order to construct the time series of rural debt issues, we have first to estimate the rural debt issues for the three bench mark years, namely, 1951-52, 1961-62 and 1971-72. According to the All-India Rural Credit Survey, the amount of average outstanding debt per cultivating family was Rs.367.7 and per non-cultivating family was Rs.129.4 in the year 1951-52.<sup>9</sup> Next we have to find out the number of cultivating and non-cultivating households in the rural areas in order to obtain the total volume of rural debt in 1951-52. According to the population Census of 1951, the total rural population was 2950 lakhs and the average rural household size was 4.91 persons.<sup>10</sup> Thus the total number of rural households in 1951 was 600.8 lakhs. Our next problem is to find out, how many of these are cultivating families and non-

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<sup>9</sup>All India Rural Credit Survey, Vol. I, The Survey Report, Part II, Reserve Bank of India. 1957, p. 3.

<sup>10</sup>Census of India, 1951, Vol. I, Part-A, Report, Government of India, p. 49.

cultivating families. For this, we take the help of another Reserve Bank of India Studies, namely, the Report of the All India Rural Credit Review Committee. According to this Report the aggregate amount of borrowing by the cultivating families was Rs.750,00 lakhs and the borrowing per cultivating family was Rs.2,10 lakhs in 1951-52.<sup>11</sup> It can therefore be inferred that the number of cultivating rural families in 1951-52 would be 357.1 lakhs. Deducting this figure from the total rural families (600.8 lakhs), we obtain 243.7 lakhs as the figure for non-cultivating rural families. Multiplying the rural cultivating families (357.1 lakhs) by the amount of outstanding debt per cultivating family (Rs.367.7 lakhs) mentioned earlier, we obtain Rs.1,313,06 lakhs as the total outstanding debt of rural cultivating households in 1951-52. In the same manner, we obtain the figure of Rs.315,35 lakhs for the rural non-cultivating families for 1951-52.

For the year 1961-62, the outstanding debt of rural cultivating and non-cultivating households is given at Rs.2,379,94 lakhs and Rs.408,98 lakhs in the Reserve Bank study.<sup>12</sup> For the year 1971-72, All India Debt and Investment

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<sup>11</sup>Report of the All India Rural Credit Review Committee, Reserve Bank of India, Bombay, 1969, p. 52.

<sup>12</sup>"All India Rural Debt and Investment Survey, 1961-62", Reserve Bank of India Bulletin, September 1965.

Survey, 1971-72 has given the estimated number of rural cultivating and non-cultivating households and the average value of cash liability per household. The number of cultivating and non-cultivating households is given at Rs.563.59 lakhs and Rs.215.80 lakhs respectively and their average liabilities at Rs.596.92 lakhs and Rs.213.24 lakhs respectively.<sup>13</sup> The outstanding debt of cultivating and non-cultivating rural households thus came to Rs.3,364,18 lakhs and Rs.460,17 lakhs respectively.

The estimates for the three bench mark years are summarized below:

Estimated Outstanding Debt Rural Areas		
(Rs. in lakhs)		
Year	Cultivator households	Non-cultivator households
1951-52	1,313,06	315,35
1961-62	2,379,94	408,98
1962-63	3,364,18	460,17

<sup>13</sup> All India Debt and Investment Survey, 1971-72, Reserve Bank of India, Bombay, 1975, pp. 17-21, in the survey (All India Tables) Table 2 has given the estimated number of rural households. In this table category of "nil" given under the "land operated in acres" according to the definition gives total number of non-cultivator households. A household without having an operational holding of land and having less than 0.005 acres and land wholly put to non-agricultural uses was defined as non-cultivator household.

Having made the estimates of outstanding debt for the bench-mark years, we have to estimate the outstanding debt issues between the bench-mark year. This we have done in the following manner. The outstanding debt issues of cultivator households between 1951-52 to 1961-62 increased from Rs.1,313,06 lakhs to Rs.2,379,94 lakhs i.e. increased by 81 per cent or at the annual compound rate of 6.1 per cent during the period. Thus, at the compound rate of growth of 6.1 per cent, we estimated the outstanding debt of cultivator household between 1951-52 to 1961-62. And between 1961-62 to 1971-72 their outstanding debt issues increased from Rs.2,379,94 lakhs to Rs.3,364,18 lakhs i.e. it increased by 41 per cent or at the annual compound rate of 3.5 per cent during the period. In this way, we prepared the series of outstanding debt of cultivator households for the period 1951-52 to 1970-71. (And outstanding debt of cultivator households for the year 1950-51 estimated by applying 6.1 growth rate). In the same manner, we estimated the outstanding debt of non-cultivator households. Their outstanding <sup>debt issues</sup> between 1951-52 to 1961-62 increased from Rs.315,35 lakhs to Rs.408,98 lakhs i.e. increased by 30 per cent or at the annual compound rate of growth of 2.6 per cent. By applying compound growth rate of 2.6 per cent per year we estimated the outstanding debt of non-cultivator households between 1951-52 to 1961-62. Their debt issues between

1961-62 to 1971-72 increased from Rs.408,98 lakhs to Rs.460,17 lakhs i.e. increased by 12 per cent or at the annual compound rate of 1.01 per cent. At the annual compound rate of 1.01 per cent we estimated the outstanding non-cultivator households in each year between 1961-62 to 1971-72.

The financial series of outstanding rural debt issues prepared by estimating separately the outstanding debt of cultivator and non-cultivator households for the period 1950-51 to 1971-72 is presented in Appendix Table II-C-1.

Urban Household Sector's Borrowings from Financial Institutions:

Having estimated the rural households borrowings, we proceed to estimate the urban households borrowings. Here, we have no surveys similar to those available for the three bench-mark years for the rural areas. However, we can derive a partial picture relating to the borrowings of the urban households from the organized financial institutions such as banks, insurance companies and other financial institutions. The figures of borrowings of the urban household sector are obtained from the "Uses" side of the flow of funds of commercial banks, insurance companies and other financial institutions, under the heading of "advances". It is assumed that rural households do not borrow from these

institutions.<sup>14</sup> Columns 2, 3 and 4 of Appendix Table II-C-2 present the data relating to borrowings from these institutions. In column 6 total outstanding borrowings are presented. The figures for 1950-51 are obtained from Dr. M.S. Joshi's study,<sup>15</sup> in which he has constructed the balance sheet for financial intermediaries and the non-financial sector for 1950-51 and 1961-62. Outstanding borrowing of Rs.152,00 lakhs (i.e. receivable from the household sector) is obtained from the assets side of the balance sheet of the financial intermediaries for the year 1950-51. From this we deduct Rs.70,10 lakhs, the amount of borrowing of the household sector from the co-operative banks which has already been taken into account in the rural sector's estimates. We thus obtain Rs.81,90 lakhs as the total outstanding borrowing of the urban household sector in 1950-51, which is shown in column 6 of table II-C-2.

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<sup>14</sup>The figures are obtained from the "Financial Flows in the Indian Economy", Reserve Bank of India Bulletin, issues of March, 1967, July 1969 and August 1975.

<sup>15</sup>M.S. Joshi., The National Balance Sheet of India. University of Bombay, 1966, p. 17. See (i.e. receivable from household sector) in the balance sheet of financial intermediaries.

### Section III

#### Growth of Primary Securities in India

Having discussed the sources and nature of data, we now proceed to examine the financial development in India. In this section we will discuss the growth and composition of primary securities in India during 1951-71. The period covers the developments during the first three plans 1951-56, 1956-61, 1961-66 and three Annual plans during 1966-69 and the first two years of the Fourth Five year plan of 1969-74.

#### Changes in the Economy

The financial developments have to be understood in the context of the changes that have come over the economy. Recently, National Accounts Statistics of January 1975 and October 1976 have become available which make it possible to build up continuous series of data for the period 1951-71 in a manner which was not possible earlier. Table II-1, presents some of the salient features of the growth of the Indian economy. The first thing to be noted is that during the period under review, the national income of India grew at an annual compound rate of 3.7 per cent if we take the average of triennium 1968-71 over the triennium 1951-54. This rate of growth may be compared with the rates of growth of GNP

obtained for some of the developed countries during their earlier phases of development. These figures are obtained from Economic Growth and Structure by Simon Kuznets (p. 307).

Great Britain	1841-81	2.5%
France	1841-50 1861-70	2.2%
Germany	1851-55 1871-75	1.6%
Sweden	1861-65 1881-85	2.9 %
Russia	1860-1913	2.7%
Japan	1878-82 1918-22	4.1%
U.S.A.	1840-80	4.0%

Except Japan, and U.S.A. the Indian growth rate is faster. This would imply that the issue-income ratio to be observed in India should be higher than that obtained elsewhere at a comparable stage. This would however be tempered by the fact that India starts from a much lower level of development as compared to even the earliest period for which we have the data for the already developed countries. Thus for instance the share of agriculture in NDP at current prices was as high as 50 per cent in 1951-52 and remained around 47 to 48 per cent till 1970-71. Agriculture being largely subsistence, self-employing sector, the external financing is less important therein as compared to the corporate sector and the government sector. This however gets offset by the



particular strategy of development adopted in India, namely, the prominence given to the public sector investment which is more heavily dependent on external financing. Thus high rates of growth and public sector investments tend to push up the issue income ratio, while a higher share of agriculture tends to push down the issue income ratio.

Table II-1: Net National Product, India, 1951-52 to 1970-71 at current and constant prices.

Year	Net National product at Factor cost of current prices (Rs. in crores)	Net National product at Factor cost at 1960-61 prices (Rs. in crores)	% Share of Agriculture in NDP at	
			Current prices	Constant prices
1	2	3	4	5
1951-52	91,46	92,79	50.2	53.9
1952-53	89,35	95,90	48.1	55.0
1953-54	95,63	102,01	53.1	55.9
1954-55	86,79	104,83	48.5	54.4
1955-56	91,76	108,60	45.2	52.4
1956-57	105,30	114,61	55.2	52.1
1957-58	105,52	112,54	52.8	50.3
1958-59	117,96	121,65	62.4	51.7
1959-60	121,47	123,99	62.5	49.7
1960-61	132,63	132,63	49.3	49.3
1961-62	139,87	137,29	48.1	47.9
1962-63	147,95	139,93	46.3	45.7
1963-64	169,77	147,71	46.9	44.4
1964-65	200,01	158,85	48.9	45.1
1965-66	206,37	150,82	45.8	40.4
1966-67	238,48	152,17	47.4	39.4
1967-68	280,54	164,63	50.2	42.2
1968-69	286,07	169,39	47.8	41.3
1969-70	316,06	180,16	47.5	41.4
1970-71	344,62	190,96	46.9	42.3

Source: National Accounts Statistics, January 1975 and October 1976, Central Statistical Organisation, Government of India.

Dholakia, Bakul H, Sources of Economic Growth in India, Good Companion, Baroda, (India) 1974, p. 73  
NDP: Net Domestic Product.

Table II-2: Net Issues of Primary Securities in India,  
1951-52 to 1970-71.

(Rs. in lakhs)

Year	Total net issues of primary securities	Government sector issues	Corporate sector issues	Household sector issues
1	2 (3+4+5)	3	4	5
1951-52	568,03	214,79	240,06	113,18
1952-53	219,82	78,53	45,79	95,50
1953-54	189,34	24,24	52,81	111,29
1954-55	620,59	350,19	141,90	128,50
1955-56	845,97	311,31	348,24	186,42
1956-57	972,18	505,44	305,86	160,88
1957-58	1,443,74	698,23	624,50	121,01
1958-59	1,357,28	773,05	425,71	158,52
1959-60	1,300,47	853,47	270,96	176,04
1960-61	1,180,72	621,05	389,97	169,70
1961-62	1,626,63	840,67	604,71	181,25
1962-63	1,829,19	812,21	876,28	140,70
1963-64	2,337,51	1,089,82	1,047,23	200,46
1964-65	1,931,84	1,042,16	754,55	135,13
1965-66	2,344,03	1,416,26	788,47	139,30
1966-67	3,616,56	2,001,45	1,366,03	249,08
1967-68	2,529,60	1,106,01	1,278,58	145,01
1968-69	2,404,59	1,217,18	877,55	309,86
1969-70	2,170,30	1,158,18	491,88	520,24
1970-71	2,670,32	928,42	1,317,70	424,20

Source: Col. 2: Columns 3 + 4 + 5.

Col. 3: From 1951-52 to 1965-66, sum of the columns 7 and 9, Appendix Table II-A-1 and column 5, Appendix Table II-A-2, and from 1966-67 to 1970-71, sum of the columns 7 and 11, Appendix Table II-A-2 and column 5, Appendix Table II-A-2.

Col. 4: Column 9, Appendix Table II-A-4.

Col. 5: Column 5, Appendix Table II-A-5.

Table II-3: Outstanding Stock of Primary Securities in India, 1950-51 to 1970-71.

(Rs. in lakhs)

Year	Total outstanding stock of primary securities	Government sector debt issues	Corporate sector debt issues	Household sector debt issues
1	2 (3+4+5)	3	4	5
1950-51	5,659,91	2,660,05	1,373,03	1,626,83
1951-52	6,227,94	2,874,84	1,613,09	1,740,01
1952-53	6,447,76	2,953,37	1,658,88	1,835,51
1953-54	6,637,10	2,977,61	1,712,69	1,946,80
1954-55	7,257,69	3,327,80	1,854,59	2,075,30
1955-56	8,103,66	3,639,11	2,202,83	2,261,72
1956-57	9,075,84	4,144,55	2,508,69	2,422,60
1957-58	10,519,58	4,842,78	3,133,19	2,543,61
1958-59	11,876,86	5,615,83	3,558,90	2,702,13
1959-60	13,177,33	6,469,30	3,829,86	2,878,17
1960-61	14,358,05	7,090,35	4,219,83	3,047,87
1961-62	15,984,68	7,931,02	4,824,54	3,229,12
1962-63	17,813,87	8,743,23	5,700,82	3,369,82
1963-64	20,151,38	9,833,05	6,748,05	3,570,28
1964-65	22,083,22	10,875,21	7,502,60	3,705,41
1965-66	24,427,25	12,291,47	8,291,07	3,844,71
1966-67	28,043,81	14,292,92	9,657,10	4,093,79
1967-68	30,573,41	15,398,93	10,935,68	4,238,80
1968-69	32,978,00	16,616,11	11,813,23	4,548,66
1969-70	35,148,30	17,774,29	12,305,11	5,068,90
1970-71	37,818,62	18,702,71	13,622,81	5,493,10

Source: Col. 2: Columns 3+4+5.

Col. 3: From 1951-52 to 1965-66, sum of the columns 6 and 8, Appendix Table II-A-1 and column 4, Appendix Table II-A-2. And from 1966-68 to 1970 sum of the columns 6 and 10, Appendix Table II-A-1 and column 4, Appendix Table II-A-2.

Col. 4: Column 8, Appendix Table II-A-4.

Col. 5: Column 4, Appendix Table II-A-5.

Issue-Income Ratio

Table II-2 presents data relating to net issues of primary securities during 1951-71. Table II-3 shows the outstanding stock of primary securities. These two tables have been prepared on the basis of the Appendix tables presented at the end of this chapter. In order to bring out the salient features we summarize the relevant figures here below:

Table II-4: Net Issues of Primary Securities and National Income in India, 1951-71.

Period	Net Issues of Primary securities (Rs. in lakhs)	Net National product at Current prices (Rs. in lakhs)	% Issues - Income Ratio ( % )
1	2	3	4 $(\frac{2}{3}) \times 100$
1951-56	2,443,75	45,499,00	5.4
1956-61	6,254,39	58,288,00	10.7
1961-66	10,069,20	86,397,00	11.7
1966-71	13,391,37	146,577,00	9.16

Source: Col. 2: Column 2, Table II-2.

Col. 3: Column 2, Table II-1.

Col. 4:  $(\frac{\text{column 2}}{\text{column 3}}) \times 100$ .

Issue-income ratio is the most important relation in analysing the financial structure and development in the country. For the period as a whole the issue-income ratio was 9.6 per cent. It increased from 5.4 per cent during 1951-56, to 10.7 per cent in 1956-61 and 11.7 per cent in 1961-66 and dropped to 9.16 per cent during 1966-71. Thus over all, the ratio shows the upward trend during the period. This leads support to our hypotheses of rising issue-income ratio in the early period of economic development. The increase in the issue-income ratio from 5.4 per cent during 1951-56 to 10.7 per cent during the next quinquennium is easily explained by the sharp increase in the rate of capital formation as shown below. The rate of investment increased from 8.8 per cent during 1951-56 to 14.2 per cent during 1956-61.

Table II-5: Net Domestic Capital Formation in India.  
(Rs. in lakhs)

Period	Average Annual NDCF at 1960-61 prices	Average Annual NDP at 1960-61 prices	NDCF as percentage of NDP
1	2	3	4
1951-56	888,00	10,104,00	8.8
1956-61	1,722,00	12,150,00	14.2
1961-66	2,025,00	14,814,00	13.7
1966-71	2,623,00	17,321,00	15.1

Note:- NDCF - Net Domestic Capital Formation.  
NDP - Net Domestic Product.

Source: Growth and Employment in India, by V.N. Kothari, Presidential address, 9th Gujarat Economic Conference, October 1977.

Next we need an explanation of the drop in the ratio from 11.7 per cent during 1961-66 to 9.16 per cent during 1966-71 even though the rate of investment in 1966-71 was 15.1 per cent as compared to 13.7 per cent during 1961-66. The explanation is to be found in the decline in the share of the public sector investment during 1966-71 due to plan holding during 1966-69.

Table II-6: Share of Public Sector in Net Domestic Capital Formation. (Rs. in lakhs)

Period	Total NDCF at current prices	Public sector NDCF	Column 3 as % of Column 2
1	2	3	4
1961-66	11,659,00	7,526,00	64.6
1966-71	20,501,00	9,854,00	48.1

Note: NDCF = Net Domestic Capital Formation.

Source: National Accounts Statistics, October 1976. The

The share of public sector in NDCF was 64 per cent during 1961-66. It declined to 48 per cent during 1966-71.

How does this ratio of 9.6 per cent obtained for India, compare with those observed for the other countries during their earlier stages of development? Financial Structure and Development by R.W. Goldsmith provide the following data (Table 3-1 pp.115-116) for 1861-1913 (adjusted

<u>countries</u>	<u>New Issue - GNP ratio</u>
France	7.8%
Germany	10.6%
Britain	6.2%
U.S.A.	9.8%
Total 4 countries.	<u>8.8%</u>
Austria-Hungary	5.2%
Italy	5.1%
Japan	9.1%
Russia	3.5%
Total 4 countries	<u>4.7%</u>

If we compare the bottom four countries, the Indian ratio is decidedly on the higher side. But this would not necessarily imply better financial development because this higher ratio is associated with public sector which relies heavily on captive funds. For instance, the commercial banks are statutorily required to invest sizable amounts in government securities. The provident fund money also statutorily flows to the government.



External Financing Ratio:

External financing ratio is one of the most important relations in analysing the financial structure and development in the country. The external financing ratio is the ratio of net issues of primary securities to gross domestic capital formation. The external financing ratio shows the extent to which capital expenditures in the country are financed by the internal and external financing. There will be a tendency for the external financing to rise in a growing economy, as the productive opportunities cannot be exploited with the balanced budgets i.e. without resorting to the external finance. Thus, the non-financial spending units will have to resort to external finance i.e. issue of primary securities by the deficit spending units. In the early stage of country's economic development the external financing ratio is likely to increase as the spending units are required to resort more to the external financing as compared to later stages. In the later stage increase in the profits of the deficit spending units render resorting to external financing less important as compared to the earlier one, assuming that the increase in the profits tends to reduce the external finance.

Table II-7 provides information about the external financing ratio in India. External financing ratio increased

from 47.8 per cent during 1951-56 to 65.1 per cent during 1956-61 precisely the period during which there was a big step up in the rate of investment. From table II-8, it can be seen that the Gross Domestic Capital Formation (GDCF) as a percentage of Gross National Product (GNP) increased from 10.1 per cent during 1951-56 to 14.6 per cent during 1956-61, a step up in the rate by more than 40 per cent. Since 1961, the external financing ratio has declined to 56.7 per cent during 1961-66 and to 44.1 per cent during 1966-71, even though rate of Gross Domestic Capital Formation increased to 17.9 per cent during 1961-66 and remained at 17.9 per cent during 1966-71. This is because during 1961-71 depreciation constituted a larger fraction of the GDCF as compared to the earlier period and depreciation is an internal source of finance. Secondly, since 1961, the share of public sector (i.e. government sector plus government company) in the GDCF has been declining. It has declined from 48 per cent during 1956-61 to 38.6 per cent during 1966-71, and as can be seen from columns 9 and 10, the proportion of external financing is much higher for the public sector as compared to the private sector. However, it may be noted that the external financing ratios for both the public sector and the private sector have declined. For the public sector, the ratio declined from 94.2 per cent in 1956-61 to 81.4 per cent in 1966-71. The decline in the external financing ratio of the

private sector is persistent. It has declined from 43.5 per cent to 20.8 per cent between 1951-56 and 1966-71. This decline is worth understanding. It is probably due to a decline in the burden of indebtedness among the rural, particularly the cultivating households due to favourable movement in agricultural prices during almost the entire period except 1952-55. For instance, the overall wholesale price index increased from 89 in 1950-51 to 100 in 1960-61 and 188 in 1970-71, while the wholesale price index for food articles increased from 94 to 100 and 210 during the same period.

Table II-7: External Financing in India, 1951-71.

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Period	Net Issues of			Gross Domestic		
	Primary Securities			Capital Formation		
	Total	Public Sector	Private sector	Total	Public sector	Private Sector
1	2	3	4	5	6	7
1951-56	2,443,75	1,041,06	1,402,69	5,115,00 (100.0)	1,894,00 (37.0)	3,221,00 (63.0)
1956-61	6,254,39	4,343,76	1,910,63	9,602,00 (100.0)	4,610,00 (48.0)	4,992,00 (52.0)
1961-66	10,069,20	7,075,77	2,993,43	17,756,00 (100.0)	8,437,00 (47.5)	9,319,00 (52.5)
1966-71	13,391,37	9,519,33	3,872,04	30,334,00 (100.0)	11,701,00 (38.6)	18,186,00 (61.4)
1951-71	32,158,71	21,979,92	10,178,79	62,807,00 (100.0)	26,642,00 (42.4)	36,165,00 (57.6)

Table II-8: Gross Domestic Capital Formation as Proportion of Gross National Product, 1951-71, at Current Prices.

(Rs.in lakhs)			
Period	GNP	GDCF	GDCF as % of GNP
1	2	3	4
1951-56	50,578,00	5,115,00	10.1
1956-61	65,807,00	9,602,00	14.6
1961-66	99,259,00	17,756,00	17.9
1966-71	169,163,00	30,334,00	17.9

Source: Col. 2: Data upto 1959-60 from Table VI.2, Basic Statistics Relating to the Indian Economy, Commerce Research Bureau, October 1975 and from 1960-61 from Table 2, National Accounts Statistics, 1960-61 to 1974-75, October 1976, Central Statistical Organisation, Government of India.

Col. 3: Table II-7.

Further, inspite of phenomenal increase in prices, land revenue tax was not generally revised upwards. The internal sources of savings of the cultivators probably improved during this period.

How does the Indian experience compare with other countries? For the twenty year period, 1951-71, the Indian external financing ratio came to 51.2 per cent. This may be compared with the external financing ratios for some of the countries presented below.

<u>countries</u>	<u>External Financing Ratio 1901-13</u>
France ... ..	0.64
Germany ... ..	0.80
Great Britain ...	0.67
Japan ... ..	1.00
U.S.A. ....	0.52
Average	<u>0.72</u>

Source: Financial Structure and Development, by  
R.W. Goldsmith, p.137.

Before we make comparison, it is to be noted that the above ratio shows the upward bias as the capital formation ratio excludes the consumer durables. If the consumer durables are included in the capital formation ratio, then the average ratio would be between 50 per cent to 60 per cent as pointed out by Raymond W. Goldsmith while making the indirect estimation of external financing ratio for these countries during the period 1901-13. In that case, the external financing ratio observed in India during the period 1951-71, is very close to the ratio of above countries during the period 1901-13. By the way, it should be pointed out the ratio for Japan and Germany came out to be higher than other countries due to war expenditures in these countries. Hence, the average ratio turned out to be higher than it otherwise would have been. Secondly, if the figures prior to 1901-13 would have been available in that case the average for the

longer period would have been likely to be less the average ratio of 50 per cent to 60 per cent during 1901-13. Perhaps, in that case the external financing ratio in India, would have been very much close to that of these countries in their earlier period.

#### Outstanding Stock Issue Ratio:

We may round off the discussion with a review of the movement of the ratio of the outstanding stock of primary securities to net national product. Ideally we should also discuss the ratio of stock of primary securities to national wealth. However, in the absence of any reliable series for national wealth, we have to rest content with the ratio of stock to national product. On the basis of Table II-1 which presented the data relating to national product and Table II-3 which showed figures relating to the stock of outstanding securities, we present the following ratios.

<u>Year</u>	<u>Ratio of outstanding primary securities (at issue prices) to net national product.</u>
1950-51	0.62
1955-56	0.88
1960-61	1.08
1965-66	1.18
1970-71	1.10

Except for the last year, the movement of the ratio is in upward direction and conforms the hypothesis that during the earlier phase of development stock ratio would be moving upwards. Stock-income ratio in Japan prior to 1901 was less than 1 and it reached the peak of 3.70 in 1931. U.S.A. also had a similar movement.<sup>16</sup> It would thus appear that there is still much scope for stock ratio to move up in India.

#### Section IV

##### Composition of Primary Securities

Having of discussed the trends in issues of primary securities, we may now discuss the composition of primary securities. This would throw added light on the financial development. The composition is best studied in terms of stock of outstanding primary securities. First we discuss the composition in terms of the three sectors, namely, Government sector, Corporate sector and Household sector.

##### Three Sectors:

Table II-9 presents data relating to the stock of primary securities issued by the three sectors. It will be

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<sup>16</sup>David J. Ott, "The Financial Development of Japan, 1878-1958", Journal of Political Economy, April 1961, pp. 126-127.



seen that the shares of the government sector and the corporate sector have tended to increase, while the share of the household sector has declined, a development which is in line with the increasing importance of the government and the corporate sectors in actual production. It ought to be reminded however, that the data relating to the household sector are incomplete, in as much as reliance on the unorganized financial intermediaries such as money lenders and indigenous bankers is not captured in the data. It is of significance that the government sector accounts for about half of the total stock of primary securities in India. This reflects the leading role of the government sector in investment in the development strategy that India has adopted. The government sector needs further discussion.

Table II-9: Composition of Outstanding Primary Securities  
in India, 1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Government Sector	Corporate Sector	Household Sector	Total
1	2	3	4	5
1950-51	2,660,05 (47.0)	1,373,03 (24.3)	1,626,83 (28.7)	5,659,91 (100.0)
1955-56	3,639,11 (44.9)	2,202,83 (27.2)	2,261,72 (27.9)	8,103,66 (100.0)
1960-61	7,090,35 (49.4)	4,218,83 (29.4)	3,047,87 (21.2)	14,358,05 (100.0)
1965-66	12,291,47 (50.3)	8,291,07 (33.9)	3,844,71 (15.7)	24,427,25 (100.0)
1970-71	18,702,71 (49.5)	13,622,81 (36.0)	5,493,10 (14.5)	37,818,62 (100.0)

Note: 1) Government sector includes central, state and local governments. Inter-government loans are excluded to avoid double counting.

2) Figures in the brackets shows percentages.

Source: Col. 2: Column 3, Table II-3.

Col. 3: Column 4, Table II-3.

Col. 4: Column 5, Table II-3.

Col. 5: Column 2 + Column 3 + Column 4.

#### Government Sector:

What is the importance of public debt? We can measure this as a ratio of outstanding primary securities issued by the government sector to the net national product. Here we show the ratio of government sector's outstanding primary

securities to net national product of each year at current prices.

<u>countries</u>	<u>Ratio of public debt to NNP</u>
1950-51	0.28
1955-56	0.36
1960-61	0.53
1965-66	0.60
1970-71	0.54

*NNP = Net National Product*

The ratio of public debt has tended to increase and seems to be settling down near 0.55 to 0.60. This may be compared with the following ratios of Central government debts to National Product observed in case of some of the developed countries during 1913 prior to the major war.<sup>17</sup>

<u>countries</u>	<u>Ratios</u>
U.S.A. ....	0.03
Great Britain.	0.27
France ...	0.70
Germany ...	0.38
Japan ...	0.56

The second question, we have to ask is regarding the Internal (Domestic) and External Debt. Table II-10 presents

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<sup>17</sup> Obtained from R.W. Goldsmith, Financial Structure and Development, p. 151.

the relevant data. It will be seen that the share of external (foreign) debt has increased throughout the period and it formed about 1/4th of the total government debt, an indication of the country's reliance on foreign aid.

Table II-10: Internal and External Debt of the Government, 1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Internal Debt	External Debt	Total
1	2	3	$\frac{4}{(2+3)}$
1950-51	2,628,02 (98.8)	32,03 (1.2)	2,660,05 (100.0)
1955-56	3,500,30 (96.2)	138,81 (3.8)	3,639,11 (100.0)
1960-61	6,329,39 (89.3)	760,96 (10.7)	7,090,35 (100.0)
1965-66	9,700,85 (78.9)	2,590,62 (21.1)	12,291,47 (100.0)
1970-71	14,528,67 (77.7)	4,174,04 (22.3)	18,702,71 (100.0)

Note: Figures in the brackets show the percentages.

Source: column 2: See of column 6 Appendix-Table II-A-1  
and column 4, Appendix-Table II-A-2 → II-A-2  
column 3: columns 8 and 10, Appendix-Table II-A-1

#### Corporate Sector:

The next in importance is the corporate sector.

Table II-11, shows the relevant data separately for the government and non-government corporate sectors. One

striking fact brought out is the increase in importance of the government corporations as shown below:

<u>year</u>	(Rs.in crores)		
	<u>Government corporations</u>	<u>Non-government corporations</u>	<u>Total</u>
1950-51	74	1299	1373
1960-61	1028	3191	4219
1970-71	6012	7611	13623

The outstanding primary securities of the government corporations were negligible in 1950-51 but in 1970-71 there were a little less than half of the total corporate sector. The government corporate sector has come into prominence with the establishment of many public enterprises in industry, trade, public utilities etc. It is difficult to interpret the securities issues of the government corporations. This is because the shares of the government corporations are mostly held by the government in the name of the Head of the state. They are not marketed. It will also be seen from Table II-11, that borrowings from banks and other financial institutions were insignificant for the government corporations, while borrowings from other sources, mostly from the government, were significant and growing in importance.

From the point of view of market, non-government corporations are more important. As can be seen from table II-11,

the share of stock issues has declined from about 50 per cent to 27 per cent during the period under review, or the debt equity ratio has increased sharply as can be seen below:-

<u>year</u>	<u>Debt-Equity Ratio</u> <u>Non-government</u> <u>Corporations</u>
1950-51	0.98
1955-56	1.39
1960-61	1.75
1965-66	2.35
1970-71	2.70

The second thing that can be observed, is the increasing role of banks and other financial institutions (including the special financial institutions created by the government). Trade dues are an important source also. Borrowing from other sources include direct public deposits by the households which are quite an important source of finance for companies in India.

#### Household Sector:

The household sector's importance has declined. Our data in regard to this sector do not permit us much detailed discussion.

Table II-11: Composition of the Corporate Sector's Outstanding Primary Securities, 1950-51 to 1970-71.  
(Rs. in lakhs)

	1950-51	1955-56	1960-61	1965-66	1970-71
1	2	3	4	5	6
<u>Government Non-Financial Corporations</u>					
1. Stocks	36,00 ( 48.4)	66,00 ( 48.4)	545,21 ( 53.0)	1,247,69 ( 43.0)	2,064,54 ( 34.3)
2. Borrowings from Banks and other Financial Institutions.	6,05 ( 8.1)	11,12 ( 8.2)	66,29 ( 6.4)	146,10 ( 5.0)	296,15 ( 4.9)
3. Trade Dues.	17,73 ( 23.8)	32,50 ( 23.8)	245,31 ( 23.9)	437,26 ( 15.1)	1,236,24 ( 20.6)
4. Borrowings from other sources.	14,57 ( 19.6)	26,73 ( 19.6)	171,06 ( 16.6)	1,072,47 ( 36.9)	2,414,88 ( 40.2)
Total	74,35 (100.0)	136,35 (100.0)	1,027,87 (100.0)	2,903,52 (100.0)	6,011,81 (100.0)

Appendix Table II-A-1 (contd.)

(Rs. in lakhs)

Year	Outstanding Government Internal debt	Net Issues of govern- ment internal debt	Outstanding Central government external debt	Net Issues of central government external debt	Outstanding Central government external debt	Net issues of govern- ment external debt
1	6 (2+5)	7	8	9	10	11
1950-51	2,560.27	-	32.03	-	-	-
1951-52	2,666.57	106.30	136.99	104.96	-	-
1952-53	2,743.46	76.89	138.53	1.54	-	-
1953-54	2,766.66	23.20	136.44	-2.09	-	-
1954-55	3,120.69	354.03	133.20	-3.24	-	-
1955-56	3,423.04	302.35	138.81	5.61	-	-
1956-57	3,897.93	474.89	160.98	22.17	-	-
1957-58	4,542.37	644.44	211.02	50.04	-	-
1958-59	5,128.34	585.97	391.35	180.33	-	-
1959-60	5,733.24	604.90	630.50	239.15	-	-
1960-61	6,215.50	482.26	760.96	130.46	-	-
1961-62	6,697.42	481.92	1,110.55	349.59	-	-
1962-63	7,238.36	540.94	1,379.03	268.48	-	-
1963-64	7,890.83	652.47	1,809.08	430.05	-	-
1964-65	8,543.90	653.07	2,192.23	383.15	-	-
1965-66	9,572.90	1,029.00	2,590.62	398.39	-	-
1966-67	11,197.43	1,624.53	4,633.38	2,042.76	2,940.63	350.01
1967-68	11,979.43	782.00	5,128.60	495.22	3,245.41	304.78
1968-69	12,850.66	871.23	5,636.71	508.11	3,577.42	332.01
1969-70	13,689.01	838.35	6,140.62	503.91	3,897.25	319.83
1970-71	14,340.64	651.63	6,576.79	436.17	4,174.04	276.79



Appendix Table II-A-2: Net and Outstanding Local Government  
Debt Issues in India, 1950-51 to 1970-71.

(Rs. in lakhs)				
Year	Outstanding local Government debt issues	Outstanding loan from Government	Net Outstanding local Government debt	Net issues of local Government debt
1	2	3	4 (2-3)	5
1950-51	89,53	21,78	67,75	-
1951-52	93,75	22,47	71,28	3,53
1952-53	74,36	22,98	71,38	10
1953-54	104,44	29,93	74,51	3,13
1954-55	112,10	38,19	73,91	- 60
1955-56	125,42	48,16	77,26	3,35
1956-57	137,42	51,78	85,64	8,38
1957-58	151,02	61,63	89,39	3,75
1958-59	161,67	65,53	96,14	6,75
1959-60	186,70	81,14	105,56	9,42
1960-61	216,37	102,48	113,89	8,33
1961-62	233,14	110,09	123,05	9,16
1962-63	246,35	120,51	125,84	2,79
1963-64	265,95	132,81	133,14	7,30
1964-65	283,04	143,96	139,08	5,94
1965-66	234,00	106,05	127,95	-11,13
1966-67	268,61	113,75	154,86	26,91
1967-68	386,53	212,44	174,09	19,23
1968-69	425,00	236,97	188,03	13,94
1969-70	N.A.	N.A.	188,03	N.A.
1970-71	N.A.	N.A.	188,03	N.A.

N.A. - Not Available.

Source: Col. 2 & 3: Statement on outstanding debt of local Authorities ratios, "Finances of Local Authorities", Reserve Bank of India Bulletin, Issues of May, 1965, April 1967, September 1970 and March 1974.

Col. 4: Column 2 minus Column 3.

Col. 5: For each year net issues of local government debt is the change in outstanding local government debt over the preceding year's outstanding local government debt. (Outstanding local government debt is given in column 4).

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Appendix Table II-A-3: Outstanding Non-Financial Corporate Stocks, 1950-51 to 1970-71  
(Rs. in lakhs)

Year	Financial and Non-financial corporate stocks	Insurance Companies stocks	Banking and Loan Companies stocks	Total Financial outstanding Corporate stocks	Outstanding Non-financial Corporate stocks	Outstanding Government Corporate stocks	Outstanding Non-government corporate stocks
1	2	3	4	5 (3+4)	6 (2-5)	7	8 (6-7)
1950-51	775,42	11,83	72,01	83,84	691,58	36,00	655,58
1951-52	855,76	12,56	71,12	83,68	772,08	42,00	730,08
1952-53	897,57	13,76	76,08	89,84	807,73	48,00	759,73
1953-54	941,17	12,43	74,90	87,33	853,84	54,00	799,84
1954-55	969,63	12,43	76,34	88,77	880,86	60,00	820,86
1955-56	1,024,20	12,84	81,13	93,97	930,23	66,00	864,23
1956-57	1,077,60	12,69	85,49	98,18	979,42	72,60	906,82
1957-58	1,306,30	13,62	82,10	95,72	1,210,58	256,80	953,78
1958-59	1,515,60	13,64	87,10	100,74	1,414,86	428,90	985,96
1959-60	1,618,70	14,02	88,88	102,90	1,515,80	477,20	1,038,60
1960-61	1,818,50	23,92	90,90	114,82	1,703,68	545,21	1,158,47
1961-62	2,019,10	24,07	94,00	118,07	1,901,03	627,72	1,273,31
1962-63	2,256,30	24,16	97,35	121,51	2,134,79	786,00	1,348,79

Appendix Table II-A-4: Corporate Sector: Outstanding and Net Securities Issues,  
1950-51 to 1970-71.  
(Rs. in lakhs)

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Year	Non-Financial Corporate stocks	Borrowing from Banks	Borrowing from Statutory Financial Corporation	Borrowing from other financial institutions	Borrowing from others	Trade dues	Out-standing corporate sector securities issues	Net issues of Corporate sector securities
1	2	3	4	5	6	7	8 (2+3+4+5+6+7)	9
1950-51	691,58	163,77	45	15,57	199,90	301,76	1,373,03	-
1951-52	772,08	226,26	53	17,83	226,24	370,13	1,613,09	240,06
1952-53	807,73	205,37	61	26,24	239,00	379,93	1,658,88	45,79
1953-54	853,84	191,23	68	42,47	240,18	384,29	1,712,69	53,81
1954-55	880,86	225,23	76	56,95	257,08	433,71	1,854,59	141,90
1955-56	930,23	299,08	12,41	53,83	329,12	578,16	2,202,83	348,24
1956-57	979,42	400,07	16,59	74,35	349,78	688,48	2,508,69	305,86
1957-58	1,210,58	482,87	25,71	132,36	439,71	841,96	3,133,19	624,50
1958-59	1,414,86	491,65	29,61	167,06	508,85	946,87	3,558,90	425,71
1959-60	1,515,80	518,76	31,33	179,91	542,88	1,041,18	3,829,86	270,96
1960-61	1,703,68	679,38	46,74	180,10	533,36	1,076,57	4,219,83	389,97
1961-62	1,901,03	788,91	51,45	194,16	625,98	1,263,01	4,824,54	604,71
1962-63	2,134,79	898,50	50,66	209,80	1,118,63	1,288,44	5,700,82	876,28
1963-64	2,513,56	1,060,13	62,74	266,97	1,303,81	1,540,84	6,748,05	1,047,23
1964-65	2,720,68	1,259,04	70,22	286,46	1,433,55	1,732,65	7,502,60	754,55

Appendix Table II-A-5: Household Sector: Outstanding and Net Debt Issues, 1950-51 to 1970-71.

(Rs. in lakhs)

Year	Outstanding rural household debt issues	Outstanding other household debt issues	Outstanding Household Sector debt issues	Net issues of household sector debt
1	2	3	4 (2+3)	5
1950-51	1,544,93	81,90	1,626,83	-
1951-52	1,628,41	111,60	1,740,01	113,18
1952-53	1,716,71	118,80	1,835,51	95,50
1953-54	1,810,10	136,70	1,946,80	111,29
1954-55	1,908,90	166,40	2,075,30	128,50
1955-56	2,013,42	248,30	2,261,72	186,42
1956-57	2,124,00	298,60	2,422,60	160,88
1957-58	2,241,01	302,60	2,543,61	121,01
1958-59	2,364,83	337,30	2,702,13	158,52
1959-60	2,495,87	382,30	2,878,17	176,04
1960-61	2,634,57	413,30	3,047,87	169,70
1961-62	2,788,92	440,20	3,229,12	181,25
1962-63	2,876,72	493,10	3,369,82	140,70
1963-64	2,967,48	602,80	3,570,28	200,46
1964-65	3,061,31	644,10	3,705,41	135,13
1965-66	3,158,31	686,40	3,844,71	139,30
1966-67	3,258,59	835,20	4,093,79	249,08
1967-68	3,362,30	876,50	4,238,80	145,01
1968-69	3,469,46	1,079,20	4,548,66	309,86
1969-70	3,580,30	1,488,60	5,068,90	520,24
1970-71	3,694,90	1,798,20	5,493,10	424,20

Source: Col. 2: Column 4, Appendix Table II-C-1.

Col. 3: Column 6, Appendix Table II-C-2.

Col. 4: Columns 2+3

Col. 5: For each year Net issues of household sector debt is the change in the outstanding household sector debt issues over the preceeding year's outstanding household sector debt issues. (The figures of outstanding household sector debt issues are given in column 4).

Appendix Table II-B-1: Paid-up Capital of the Sample Non-Government Non-Financial Companies,  
1950-51 to 1970-71

(Rs. in lakhs.)

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Year	Large and medium public limited companies	Small public limited Companies	Large and medium private limited companies	Small private limited companies	Branch of foreign companies	Paid-up capital of the sample non-government companies	Paid-up capital of all non-government companies	Sample companies paid-up capital as % of paid-up capital of all non-government companies (in %)
1	2	3	4	5	6	7 (2+3+4+5+6)	8	9 (7 $\frac{8}{100}$ ) $\times$ 100
1950-51	473,40	-	-	-	-	473,40	655,58	72.2
1951-52	509,00	-	-	-	-	509,00	730,08	69.7
1952-53	528,15	-	-	-	-	528,15	759,73	69.5
1953-54	538,84	-	-	-	-	538,84	799,84	67.4
1954-55	550,05	-	-	-	-	550,05	820,86	67.0
1955-56	609,99	-	253,45	-	-	863,44	864,23	100.0
1956-57	628,40	-	272,25	-	-	900,65	906,82	100.0
1957-58	681,19	-	272,23	-	-	953,42	953,78	100.0

Appendix Table II.B-2: Non-government, Non-financial Companies Borrowings: From Banks,  
1950-51 to 1970-71.

(Rs. in lakhs) *76*

Year	Large and medium public limited companies	Small public limited companies	Large and medium private limited companies	Small private limited companies	Branches of foreign companies	Borrowing of the sample non-government companies	Borrowing of all non-government companies
1	2	3	4	5	6	7 (2+3+4+5+6)	8
1950-51	115,85	-	-	-	-	115,85	160,46
1951-52	155,03	-	-	-	-	155,03	222,42
1952-53	139,67	-	-	-	-	139,67	200,96
1953-54	125,54	-	-	-	-	125,54	186,26
1954-55	147,21	-	-	-	-	147,21	219,71
1955-56	186,00	-	107,01	-	-	293,01	293,01
1956-57	268,69	-	124,70	-	-	393,39	393,39
1957-58	332,56	-	126,69	-	-	459,25	459,25
1958-59	334,89	-	117,30	-	-	452,19	452,19
1959-60	331,94	-	142,96	-	-	474,90	474,90
1960-61	373,13	10,61	62,58	-	37,07	483,39	626,15
1961-62	425,70	10,26	70,24	-	35,85	542,05	735,48
1962-63	492,10	11,32	80,47	-	45,35	629,24	867,92

Appendix Table II.B-3: Non-government Non Financial Companies Borrowings: From Statutory  
Financial Corporations, 1950-51 to 1970-71.

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(Rs. in lakhs)

Year	Large and medium public limited companies	Small public limited companies	Large and medium private limited companies	Small private limited companies	Branches of foreign companies	Borrowing of the sample non- government companies	Borrowing of all non- government companies
1	2	3	4	5	6	7 (2+3+4+5+6)	8
1950-51	-	-	-	-	-	-	-
1951-52	-	-	-	-	-	-	-
1952-53	-	-	-	-	-	-	-
1953-54	-	-	-	-	-	-	-
1954-55	-	-	-	-	-	-	-
1955-56	11,23	-	34	-	-	11,57	11,57
1956-57	15,11	-	56	-	-	15,67	15,67
1957-58	21,17	-	1,28	-	-	22,45	22,45
1958-59	22,32	-	1,84	-	-	24,16	24,16
1959-60	23,40	-	1,84	-	-	25,24	25,24
1960-61	27,36	58	1,11	-	-	29,05	37,63
1961-62	28,08	22	1,51	-	-	29,81	40,45
1962-63	31,35	54	1,65	-	-	33,54	46,26

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Appendix Table II-B-4: Non-government Non-financial Companies Borrowings: From other Financial Institutions, 1950-51 to 1970-71.

(Rs. in lakhs)

Year	Large and medium public limited companies	Small public limited companies	Large and medium private limited companies	Small private limited companies	Branches of foreign companies	Borrowing of the sample companies	Borrowing of all non-government companies
1	2	3	4	5	6	7 (2+3+4+5+6)	8
1950-51	9,59	-	-	-	-	9,59	13,28
1951-52	10,56	-	-	-	-	10,56	15,15
1952-53	16,11	-	-	-	-	16,11	23,18
1953-54	26,31	-	-	-	-	26,31	39,03
1954-55	35,59	-	-	-	-	35,59	53,12
1955-56	40,84	-	8,78	-	-	49,62	49,62
1956-57	64,23	-	5,49	-	-	69,72	69,72
1957-58	110,91	-	5,07	-	-	115,98	115,98
1958-59	134,63	-	5,07	-	-	139,70	139,90
1959-60	143,55	-	5,91	-	-	149,46	149,46
1960-61	131,57	1,12	2,50	-	3	135,22	175,15
1961-62	135,82	1,17	2,70	-	5	139,74	189,60
1962-63	139,72	88	2,14	-	13	142,87	197,06
1963-64	165,18	1,50	2,24	91	-	169,83	250,48



Appendix Table II-B-5: Non-government Non-financial Companies Borrowings: From Others,  
1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Large and medium public limited companies	Small public limited companies	Large and medium private limited companies	Small private limited companies	Branches of foreign companies	Borrowing of the sample non-government companies	Borrowing of all the non-government companies
1	2	3	4	5	6	(2+3+4+5+6)	8
1950-51	133,81	-	-	-	-	133,81	185,33
1951-52	145,84	-	-	-	-	145,84	209,24
1952-53	152,60	-	-	-	-	152,60	219,57
1953-54	147,14	-	-	-	-	147,14	218,31
1954-55	155,97	-	-	-	-	155,97	232,79
1955-56	186,70	-	115,69	-	-	302,39	302,39
1956-57	192,29	-	128,09	-	-	320,38	320,38
1957-58	207,04	-	128,64	-	-	335,68	335,68
1958-59	216,16	-	118,96	-	-	335,12	335,12
1959-60	218,54	-	131,00	-	-	349,54	349,54
1960-61	200,87	14,87	49,20	-	14,76	279,70	362,30
1961-62	211,62	13,53	47,05	-	15,88	288,08	390,88
1962-63	229,04	14,20	49,66	-	44,74	337,64	465,71
1963-64	260,65	15,22	50,18	19,67	21,72	367,44	541,94
1964-65	291,77	15,78	52,00	24,62	20,01	404,18	601,46

Appendix Table II-B-6: Non-government Non-Financial Companies: Trade Dues and Other Current Liabilities, 1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Large and medium public limited companies	Small public limited Companies	Large and medium private limited companies	Small private limited companies	Branches of foreign companies	Trade dues and other of the sample non-government companies	Trade dues and other non-current liabilities of all non-government companies
1	2	3	4	5	6	7 (2+3+4+5+6)	8
1950-51	205,07	-	-	-	-	205,07	284,03
1951-52	243,57	-	-	-	-	243,57	349,45
1952-53	247,62	-	-	-	-	247,62	356,29
1953-54	241,09	-	-	-	-	241,09	357,70
1954-55	270,79	-	-	-	-	270,79	404,16
1955-56	331,52	-	214,14	-	-	545,66	545,66
1956-57	376,50	-	274,23	-	-	650,73	650,73
1957-58	430,74	-	284,75	-	-	715,49	715,49
1958-59	446,18	-	289,46	-	-	735,64	735,64
1959-60	481,57	-	324,58	-	-	806,15	806,15
1960-61	417,07	11,39	78,72	-	126,55	641,73	831,26
1961-62	457,95	18,95	85,97	-	129,85	692,72	939,92
1962-63	511,77	23,46	96,01	-	123,23	754,47	1,040,65
1963-64	565,44	23,09	99,68	24,47	125,09	837,67	1,235,50
1964-65	636,34	27,66	108,84	34,28	130,57	937,69	1,395,37
1965-66	698,65	30,73	125,05	38,25	136,13	1,028,81	1,480,30
1966-67	859,89	21,42	147,03	36,90	168,27	1,233,51	1,571,35
1967-68	941,11	23,24	151,87	37,92	164,13	1,318,27	1,694,43
1968-69	1,027,27	25,98	162,06	43,97	158,61	1,417,89	1,801,64
1969-70	1,154,87	28,78	177,04	39,23	131,93	1,551,85	1,932,56

Appendix Table II-B-7: Government Non-Financial Companies Debt Issues, 1950-51 to 195

Year	Paid-up capital	Borrowing from Banks	Borrowing from statutory financial Corporations	Debentures	Mortgages	Government mortgages
1	2	3	4	5	6	7
1950-51	36,00	3,31	45	5	2,29	2,47
1951-52	42,00	3,86	53	6	2,68	2,88
1952-53	48,00	4,41	61	7	3,06	3,29
1953-54	54,00	4,97	68	8	3,44	3,71
1954-55	60,00	5,52	76	9	3,83	4,12
1955-56	66,00	6,07	84	10	4,21	4,53
1956-57	72,60	6,68	92	11	4,63	4,98
1957-58	256,80	23,62	3,26	41	16,38	17,62
1958-59	428,90	39,46	5,45	68	27,36	29,42

Note:-- Other mortgages are treated as borrowing from other financial institutions.

Source:-- The series of Government companies debt issues for the period 1950-51 to 1958-59 is estimated. The procedure of estimation is explained in Section II.

Appendix Table II-B-8: Paid-up Capital of the Sample Government Non-financial Companies,  
1959-60 to 1970-71.  
(Rs. in lakhs)

Year	Central Government companies	State Government companies	Paid-up capital of the sample Government companies	Total paid-up capital of all Government companies	Paid-up capital of the sample Government companies as a % of all the Government companies (in %)
1	2	3	4 (2+3)	5	6 $(4 \div 5) \times 100$
1959-60	92,06	-	92,06	477,20	19.2
1960-61	112,18	11,04	123,22	545,21	22.6
1961-62	122,82	27,36	150,18	627,72	23.9
1962-63	542,77	33,74	576,51	786,00	73.3
1963-64	676,93	36,38	713,31	960,75	74.2
1964-65	783,35	41,63	824,98	1,114,91	74.0
1965-66	969,18	45,86	1,015,04	1,247,69	81.3
1966-67	1,171,02	51,10	1,222,12	1,391,49	87.8
1967-68	1,270,78	62,80	1,333,58	1,559,30	85.5
1968-69	1,351,94	68,72	1,420,66	1,714,85	82.8
1969-70	1,418,08	76,20	1,494,28	1,790,60	83.4
1970-71	1,487,74	69,83	1,557,57	2,064,54	75.4

Appendix Table II-B-9: Government Non-financial Companies  
 Borrowings: From Banks, 1959-60 to  
 1970-71  
 (Rs. in lakhs)

Year	Central Govern- ment c ompanies	State Govern- ment companies	Borrowing of the sample Government companies	Borrowing of all Government c ompanies
1	2	3	4 (2+3)	5
1959-60	-	-	-	43,86
1960-61	10,06	1,97	12,03	53,23
1961-62	9,55	3,22	12,77	53,43
1962-63	17,56	4,86	22,42	30,58
1963-64	28,84	5,39	34,23	46,13
1964-65	48,52	8,10	56,62	76,51
1965-66	90,53	13,23	103,76	127,63
1966-67	114,56	20,19	134,75	153,47
1967-68	128,30	27,59	155,89	182,33
1968-69	130,13	31,98	162,11	195,78
1969-70	119,12	30,47	149,59	179,36
1970-71	164,39	34,25	198,64	263,45

Source: Col. 2: Same as column 2, Appendix Table II.B-8  
 Col. 3: Same as column 3, Appendix Table II.B-8  
 Col.4 : Columns 2+3.

Appendix Table II-B-10: Government Non-financial Companies  
Borrowings: from Statutory Financial  
Corporations, 1959-60 to 1970-71.

(Rs. in lakhs)

Year	Central Government companies	State Government companies	Borrowing of the sample government companies	Borrowing of all the government companies
1	2	3	4 (2+3)	5
1959-60	-	-	-	6,09
1960-61	1,67	39	2,06	9,11
1961-62	2,27	36	2,63	11,00
1962-63	2,81	42	3,23	4,40
1963-64	2,60	40	3,00	4,04
1964-65	2,38	35	2,73	3,69
1965-66	2,17	30	2,47	3,04
1966-67	1,96	48	2,44	2,78
1967-68	1,74	1,38	3,12	3,65
1968-69	1,54	1,25	2,79	3,37
1969-70	1,33	1,04	2,37	2,84
1970-71	1,11	21	1,32	1,75

Source: Col. 2: Same as column 2, Appendix Table II.B-8

Col. 3: Same as column 3, Appendix Table II.B-8

Col. 4: Columns 2+3.

Appendix Table II.B-11: Government Companies Borrowings:  
From other Financial Institutions,  
1959-60 to 1970-71.  
(Rs. in lakhs)

Year	Central Government companies	State Government companies	Borrowing of the sample Government companies	Borrowing of all Government companies
1	2	3	4 (2+3)	5
1959-60	-	-	-	30,45
1960-61	1,12	-	1,12	4,95
1961-62	1,09	-	1,09	4,56
1962-63	9,34	-	9,34	12,74
1963-64	12,24	-	12,24	16,49
1964-65	14,21	-	14,21	19,20
1965-66	12,30	25	12,55	15,43
1966-67	18,56	-	18,56	21,14
1967-68	28,72	15	28,87	33,77
1968-69	25,76	2,31	28,07	33,90
1969-70	22,92	2,56	25,48	30,55
1970-71	20,01	3,33	23,34	30,95

Source: Col. 2: Column 2, Appendix Table II.B-8.

Col. 3: Column 3, Appendix Table II.B-8.

Col. 4: Columns 2+3.

Appendix Table II.B-12: Government Non-Financial Companies  
 Borrowings: From others, 1959-60  
 to 1970-71. (Rs. in lakhs)

Year	Central Government companies	State Government companies	Borrowing of the sample Government companies	Borrowing of all the Government companies
1	2	3	4 (2+3)	5
1959-60	-	-	-	193,34
1960-61	34,15	4,51	38,66	171,06
1961-62	43,30	12,89	56,19	235,10
1962-63	438,30	40,29	478,59	652,92
1963-64	509,87	55,44	565,31	761,87
1964-65	646,13	69,62	615,75	832,09
1965-66	785,52	86,40	871,92	1,072,47
1966-67	1,147,92	104,47	1,252,39	1,426,41
1967-68	1,402,31	107,31	1,509,62	1,765,63
1968-69	1,609,29	125,23	1,734,52	2,094,83
1969-70	1,656,33	129,76	1,786,09	2,141,59
1970-71	1,694,61	126,21	1,820,82	2,414,88

Source: Col. 2: Column 2, Appendix Table II.B-8.

Col. 3: Column 3, Appendix Table II.B-8.

Col. 4: Columns 2+3.



Appendix Table II.B-13: Government Non-Financial Companies  
 Trade due to Government Companies: Trade due, 1959-60  
 to 1970-71.

Year	Central Government Companies	State Government companies	Trade due of the sample Government companies	Trade due of all the Government companies
1	2	3	4 (2+3)	5
1959-60	-	-	-	235,03
1960-61	49,30	6,14	55,44	245,31
1961-62	62,72	14,50	77,22	323,09
1962-63	163,92	17,71	181,63	247,79
1963-64	208,08	18,48	226,56	305,34
1964-65	252,39	26,80	279,19	337,28
1965-66	318,81	36,68	355,49	437,26
1966-67	415,87	49,54	465,41	530,08
1967-68	546,51	61,81	608,32	711,48
1968-69	568,70	75,78	644,48	778,36
1969-70	683,37	87,84	771,21	924,71
1970-71	837,64	94,49	932,13	1,236,24

Source: Col. 2: Same as column 2, Appendix Table II.B-8.  
 Col. 3: Same as column 3, Appendix Table II.B-8.  
 Col. 4: Columns 2+3.

Appendix Table II.B-14: Corporate Sector: Borrowing from  
Banks, 1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Non- government companies	Government companies	Corporate sector borrowing from banks
1	2	3	4 (3+4)
1950-51	160,46	3,31	163,77
1951-52	222,42	3,86	226,28
1952-53	200,96	4,41	205,37
1953-54	186,26	4,97	191,23
1954-55	291,71	5,52	225,23
1955-56	293,01	6,07	299,08
1956-57	393,39	6,68	400,07
1957-58	459,25	23,62	482,87
1958-59	452,19	39,46	491,65
1959-60	474,90	43,86	518,76
1960-61	626,15	53,23	679,38
1961-62	735,48	53,43	788,91
1962-63	867,92	30,58	898,50
1963-64	1,014,00	46,13	1,060,13
1964-65	1,182,53	76,51	1,259,04
1965-66	1,326,03	127,63	1,453,66
1966-67	1,444,25	153,47	1,597,72
1967-68	1,660,94	182,33	1,843,27
1968-69	1,734,79	195,78	1,930,57
1969-70	1,805,39	179,36	1,984,75
1970-71	1,943,32	263,45	2,206,77

Source:- Col. 2: Column 2, Appendix Table II.B-2.

Col. 3: For the period 1950-51 to 1958-59,  
column 3, Appendix Table II.B-7 and  
for the period 1959-60 to 1970-71,  
column 5, Appendix Table II.B-9.

Col. 4: Columns 2+3

Appendix Table II.B-15: Corporate Sector: Borrowing from  
Statutory Financial Corporations,  
1950-51 to 1970-71.

(Rs. in lakhs)			
Year	Non- government companies	Government companies	Corporate Sector borrowing from statutory financial corporations
1	2	3	4 (2+3)
1950-51	-	45	45
1951-52	-	53	53
1952-53	-	61	61
1953-54	-	68	68
1954-55	-	76	76
1955-56	11,57	84	12,41
1956-57	15,67	92	16,59
1957-58	22,45	3,26	25,71
1958-59	24,16	5,45	29,61
1959-60	25,24	6,09	31,33
1960-61	37,63	9,11	46,74
1961-62	40,45	11,00	51,45
1962-63	46,26	4,40	50,66
1963-64	58,70	4,04	62,74
1964-65	66,53	3,69	70,22
1965-66	73,44	3,04	76,48
1966-67	108,13	2,78	110,91
1967-68	118,17	3,65	121,82
1968-69	123,20	3,37	126,57
1969-70	120,52	2,84	123,36
1970-71	117,22	1,75	118,97

Source: Col. 2: Column 8, Appendix Table II.B-3.

Col. 3: For the period 1950-51 to 1958-59,  
column 4, Appendix Table II.B-7 and  
for the period 1959-60, column 5,  
Appendix Table II.B-10.

Col. 4: Columns 2+3.

Appendix Table II.B-16: Corporate Sector: Borrowing from  
other Financial Institutions,  
1950-51 to 1970-71. (Rs. in Lakhs)

Year	Non- government companies	Government companies	Corporate sector borrowing from other financial institutions
1	2	3	4 (2+3)
1950-51	13,28	2,29	15,57
1951-52	15,15	2,68	17,83
1952-53	23,18	3,06	26,24
1953-54	39,03	3,44	42,47
1954-55	53,12	3,83	56,95
1955-56	49,62	4,21	53,83
1956-57	69,72	4,63	74,35
1957-58	115,98	16,38	132,36
1958-59	139,70	27,36	167,06
1959-60	149,46	30,45	179,91
1960-61	175,15	4,95	180,10
1961-62	189,60	4,56	194,16
1962-63	197,06	12,74	209,80
1963-64	250,48	16,49	266,97
1964-65	267,26	19,20	286,46
1965-66	281,09	15,43	296,52
1966-67	366,38	21,14	387,52
1967-68	402,05	33,77	435,82
1968-69	399,45	33,90	433,35
1969-70	389,55	30,55	420,10
1970-71	370,21	30,95	401,16

Source: Col. 2: Column 8, Appendix Table II.B-4.

Col. 3: For the period 1950-51 to 1958-59,  
column 6, Appendix Table II.B-7 and for  
the period 1959-60, column 5,  
Appendix Table II.B-11.

Col. 4: Columns 2+3.

Appendix Table II.B-17: Corporate Sector: Borrowing from others, 1950-51 to 1970-71.

(Rs. in lakhs)

Year	Non-government companies	Government companies	Corporate sector Borrowing from others
1	2	3	4 (2+3)
1950-51	185,33	14,57	199,90
1951-52	209,24	17,00	226,24
1952-53	219,57	19,43	239,00
1953-54	218,31	21,87	240,18
1954-55	232,79	24,30	257,09
1955-56	302,39	26,73	329,12
1956-57	320,38	29,40	349,78
1957-58	335,68	104,03	439,71
1958-59	335,12	173,73	508,85
1959-60	349,54	193,34	542,88
1960-61	362,30	171,06	533,36
1961-62	390,88	235,10	625,98
1962-63	465,71	652,92	1,118,63
1963-64	541,94	761,87	1,303,81
1964-65	601,46	832,09	1,433,55
1965-66	619,29	1,072,47	1,691,76
1966-67	779,71	1,426,41	2,206,12
1967-68	844,23	1,765,63	2,609,86
1968-69	947,51	2,094,83	3,042,34
1969-70	966,34	2,141,59	3,107,93
1970-71	1,018,58	2,414,88	3,433,46

Source: Col. 2: Column 8, Appendix Table II.B-5.

Col. 3: For the period 1950-51 to 1958-59, Columns 5+7+8+10 of the Appendix Table II-B-7. And for the period 1959-60, column 5, Appendix Table II.B-12.

Col. 4: Columns 2+3.

Appendix Table II.B-18: Corporate Sector: Trade Dues,  
1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Non- government companies	Government companies	Corporate sector Trade dues
1	2	3	4 (2+3)
1950-51	284,03	17,73	301,76
1951-52	349,45	20,68	370,13
1952-53	356,29	23,64	379,93
1953-54	357,70	26,59	384,29
1954-55	404,16	29,55	433,71
1955-56	545,66	32,50	578,16
1956-57	650,73	35,75	688,48
1957-58	715,49	126,47	841,96
1958-59	735,64	211,23	946,87
1959-60	806,15	235,03	1,041,18
1960-61	831,26	245,31	1,076,57
1961-62	939,92	323,09	1,263,01
1962-63	1,040,65	247,79	1,288,44
1963-64	1,235,50	305,34	1,540,84
1964-65	1,395,37	337,28	1,732,65
1965-66	1,480,30	437,26	1,917,56
1966-67	1,571,35	530,08	2,101,43
1967-68	1,694,43	711,48	2,405,91
1968-69	1,801,64	778,36	2,580,00
1969-70	1,932,56	924,71	2,857,27
1970-71	2,103,01	1,236,24	3,339,25

Source: Col. 2: Column 8, Appendix Table II.B-6.

Col. 3: For the period 1950-51 to 1958-59, column 9, Appendix Table II.B-7. And for the period 1959-60, column 5, Appendix Table II.B-13.

Col. 4: Columns 2+3.

Appendix Table II-C-1: Outstanding Rural Debt Issues,  
1950-51 to 1971-72. (Rs.in lakhs)

Year	Outstanding issues of cultivating households	Outstanding issues of non- cultivating households	Total outstanding Rural house- hold debt issues
1	2	3	4 (2+3)
1950-51	1,237,57	307,36	1,544,93
1951-52	1,313,06	315,35	1,628,41
1952-53	1,393,16	323,55	1,716,71
1953-54	1,478,14	331,96	1,810,10
1954-55	1,568,31	340,59	1,908,90
1955-56	1,663,98	349,44	2,013,42
1956-57	1,765,48	358,52	2,124,00
1957-58	1,873,17	367,84	2,241,01
1958-59	1,987,43	377,40	2,364,83
1959-60	2,108,66	387,21	2,495,87
1960-61	2,237,29	397,28	2,634,57
1961-62	2,379,94	408,98	2,778,92
1962-63	2,463,24	413,48	2,876,72
1963-64	2,549,45	418,03	2,967,48
1964-65	2,638,68	422,63	3,061,31
1965-66	2,731,03	427,28	3,158,31
1966-67	2,826,61	431,98	3,258,59
1967-68	2,925,54	436,76	3,362,30
1968-69	3,027,93	441,53	3,469,46
1969-70	3,133,91	446,39	3,580,30
1970-71	3,243,60	451,30	3,694,90
1971-72	3,364,18	460,17	3,824,35

Source: The series of outstanding rural household debt issues have been estimated. The procedure of estimation is explained in Section II.

Appendix Table II-C-2: Household Sector: Borrowing from Financial Institutions,  
1950-51 to 1970-71.  
(Rs. in lakhs)

Year	Commercial Banks	Insurance companies	Other financial Institutions	Total Net Borrowing from financial Institutions	Outstanding Borrowing from financial Institutions
1	2	3	4	(2+3+4)	6
1950-51	-	-	-	-	81,90
1951-52	21,00	8,70	-	29,70	111,60
1952-53	-	7,20	-	7,20	118,80
1953-54	12,00	5,80	10	17,90	136,70
1954-55	22,00	7,20	50	29,70	166,40
1955-56	76,00	5,00	90	81,90	248,30
1956-57	52,60	-4,30	2,00	50,30	298,60
1957-58	-	1,80	2,20	4,00	302,60
1958-59	31,70	- 60	3,60	34,70	337,30
1959-60	44,70	- 50	80	45,00	382,30
1960-61	27,60	4,30	- 90	31,00	413,30
1961-62	15,30	5,60	6,00	26,90	440,20
1962-63	50,40	1,30	1,20	52,90	493,10
1963-64	97,00	8,60	4,10	109,70	602,80
1964-65	28,90	8,80	3,60	41,30	644,10
1965-66	26,80	15,20	30	42,30	686,40