

CHAPTER - 2

FINANCIAL GROWTH IN INDIA

This chapter will analyse financial growth in India to examine the Pace of Growth of the financial structure and the salient characteristics of the growth pattern.

2.1 Theoretical basis

The financial structure of the country can be defined in terms of the nature, existence and the relative importance of various types of Financial Institutions and instruments and their relation with the economy. The growth of the financial structure implies growth of Financial Instruments and Financial Institutions in relation to the growth of real infrastructure of the economy denoted by wealth in stock terms and gross national product or investment in flow terms^{74,75}.

The growth of the financial structure may be of little interest to us. Our interest is more in the fundamental economic processes that influence and are deeply influenced by the growth of the financial structure because on the one hand process of financial growth brings about certain long lasting, Interrelated changes and on the other, it leads to changes in the relative importance of various Financial Institutions and instruments that constitute the financial structure. It brings about qualitative changes, the final effects of which must be traced back to the behaviour of the real economic agents of society. These are changes in the asset preferences of the public and their desired temporal consumption patterns, increasing monetization and financialization of economic transactions, widening and deepening of money and capital markets and the consequent expansion of commodity markets, etc. It is really in the qualitative changes that our interest lies out but as they cannot be isolated from changes in the relative important of Financial Institutions and instruments, the implications of the growth of the financial structure have to be studied in their totality.

⁷⁴ Goldsmith, Raymond W. (1966) : The Determinants of Financial Structure, Organization for Economic Cooperation and Development, Paris.

⁷⁵ Goldsmith, Raymond W. (1969) : Financial Structure and Development, Yale University Press, New Haven.

In order to examine the growth of financial structure in relation to economic system, it is quite useful to utilize following methods or approaches :

- a) Indicators of financial development signifying the pace and extent of financial deepening in the economy.
- b) The growth of monetary assets signifying the pace and extent of monetary deepening.
- c) Analysis of inter-sectorial financial transaction based upon the flow of funds data with the help of sectorial and Financial Instruments approaches.

2.2 Indicators of Financial Development :

The nature, composition and growth of financial assets or claims indicate the sophistication, development and growth of the financial system and hence the overall financial development of the economy. Several indicators have been devised to measure the financial development of the economy. The important indicators are :

- i. Finance Ratio (FR),
- ii. Financial Inter-Relations Ratio (FIR),
- iii. New Issue Ratio (NIR), and
- iv. Intermediation Ratio (IR).

The Finance Ratio (FR) is measured as the ratio of total financial claims issued during a year in the economy (financial issues) to national income. It is an indicator of the rate of financial development in relation to the rate of economic growth.

The Financial Inter-Relations Ratio (FIR) is the ratio of the total volume of financial assets in the economy at any point of time to the stock of physical assets at that time. It, therefore reflects the basic aspects of the country's financial structure and its real asset structure. The ratio is however, more readily computed on the basis of the change in the volume of financial assets during any period and capital formation during that period. For this reason this ratio is more amenable to analysis in countries which do not have the requisite data relating to the stock of physical assets.

The New Issue Ratio (NIR) is an indicator of the extent to which the non-financial sector financed its investment through funds obtained by it. It is measured as the ratio of primary issues being defined as financial claims issued by those in the non-financial or real sector of net physical capital formation.

The Intermediation Ratio (IR) shows the importance of Financial Institutions relative to non-financial units (including households) in raising resources to finance investment. This is measured as the ratio of the volume of Financial Instruments issued by the financial institutions, called secondary issues, to the volume of primary issues by the non-financial units. The Intermediation Ratio provides the most general indicator of the degree of institutionalization of financing in the economy.

Table 2.1 reports the computed ratios on indicators of financial development in India. From that table we can observe that all the ratios have increased in value from 1951-52 to 1992-93 for example FIR has increased from 0.1 to 2.69; NIR has increased from 0.17 to 1.73; FIR has increased from 0.47 (53-54) to 0.55 and FR has increased from 0.1 to 0.49. The rising ratios of FIR indicates a faster growth in the financial claims as compared to the growth in physical investments. The trends in FIR observed in India are supportive of the hypothesis that in the course of economic development, the financial structure of an economy grows more rapidly than the national income during the early phases of development. The raising FIR is the result of increasing primary issues as well as in secondary issues. It should also be noted that these ratios indicates different growth rates in the sub-periods between 1951-52 to 1992-93. From table 2.2 which reports the annual compound growth rates of above mentioned ratios, it is clear that the relative process of financial assets and physical asset formation are found to be fluctuating relative to each other. This is borne out by the fact that over the eight sub-periods FIR had shown growth rates of 34%, 13.4%, -5.7%, 5.7%, 7.0%, 1.34%, 2.90% and 1.2%. However the fact remained that the financial claims (primary securities+secondary securities) as a proportion of net capital formation have shown almost steady rise over the years as reported in table 2.1.

Analogously, the New Issue Ratio (NIR) has also been showing a rising trend over the years. For example, from table 2.1, its value has increased from 0.17 in 1951-52 to 0.74 in 1960-61 to 0.82 in 1970-71 to 1.05 in 1980-81 to 1.73 in 1992-93. It is an indicator of the extent to which capital formation has been financed by the primary issues. It also indicates the growth of financial claims issued by those in the non-financial or real sector. From table 2.2, its growth rates are found to be fluctuating. The highest compound-growth rates have been found to be in the first decade-viz. 18% and 16%. It shows that the real sector had financed its investments by directly issuing its claims, primary securities, to the surplus

Table 2.1 Indicators of Financial Development				
Period	Financial Inter relation Ratio(FIR)	New Issue Ratio(NIR)	Inter- mediation Ratio(IR)	Finance Ratio (FR)
1951-52	0.10	0.17	-0.38	0.01
1952-53	0.25	0.31	-0.21	0.01
1953-54	0.83	0.56	0.47	0.04
1954-55	1.12	0.64	0.76	0.07
1955-56	1.21	0.74	0.65	0.12
1956-57	0.67	0.39	0.69	0.08
1957-58	0.99	0.61	0.65	0.11
1958-59	1.32	0.80	0.62	0.11
1959-60	1.47	0.95	0.54	0.13
1960-61	0.92	0.74	0.23	0.10
1961-62	1.26	0.83	0.51	0.12
1962-63	1.66	0.81	0.43	0.13
1963-64	1.29	0.88	0.47	0.14
1964-65	1.23	0.74	0.53	0.12
1965-66	1.27	0.87	0.47	0.16
1966-67	0.94	0.72	0.45	0.15
1967-68	1.20	0.84	0.16	0.13
1968-69	1.34	0.84	0.60	0.12
1969-70	1.10	0.64	0.60	0.12
1970-71	1.31	0.82	0.59	0.15
1971-72	1.24	0.72	0.72	0.15
1972-73	1.47	0.83	0.78	0.16
1973-74	1.11	0.52	1.11	0.15
1974-75	1.32	0.89	0.47	0.17
1975-76	1.85	1.06	0.74	0.24
1976-77	1.74	0.98	0.79	0.25
1977-78	2.21	1.20	0.83	0.32
1978-79	1.24	0.72	0.70	0.23
1979-80	2.03	1.22	0.65	0.33
1980-81	1.85	1.05	0.76	0.32
1981-82	1.86	1.17	0.59	0.31
1982-83	3.00	1.73	0.74	0.42
1983-84	2.18	1.27	0.71	0.29
1984-85	2.94	1.70	0.72	0.37
1985-86	2.45	1.41	0.72	0.35
1986-87	2.15	1.10	0.91	0.32
1987-88	2.00	1.11	0.79	0.35
1988-89	2.23	1.28	0.74	0.43
1989-90	2.12	1.25	0.70	0.46
1990-91	1.94	1.56	0.67	0.41
1991-92	2.28	1.35	0.70	0.45
1992-93	2.69	1.73	0.55	0.50
Sources :				
Reserve Bank of India various Issues				
Chart Book on Financial And Economic Indicators, (Reserve Bank of India) 1977.				
Flow of Funds in the Indian Economy (Reserve Bank of India Bulletin.)				
Report on Currency and Finance (Reserve Bank of India).				

Table 2.2 Annual Compound Growth Rate of Financial Indicators				
Period	Financial Inter Relation Ratio (FIR)	New Issue Ratio (NIR)	Inter - mediation Ratio (IR)	Fiance Ratio (FR)
51-52 to 56-57	34.00	18.06	13.65 (53-54 to 56-57)	1.65
56-57 to 61-62	13.46	16.30	-5.80	6.57
61-62 to 66-67	-5.70	-2.81	-2.40	4.94
66-67 to 71-72	5.70	0.54	9.80	1.38
71-72 to 76-77	7.01	5.70	1.80	10.75
76-77 to 81-82	1.34	3.60	-5.60	4.40
81-82 to 86-87	2.90	-1.30	9.05	0.87
86-87 to 91-92	1.20	4.18	-5.00	7.25

Source :
Table 2.1
Appendix 1

sectors. However the growth rates for NIR have been found to be much lower in the subsequent periods. This phenomenon implies that in the more recent time periods the real sector has relied more on indirect finance and obtained funds for its investment through financial intermediaries.

IR has also shown, amidst fluctuations, a rising trend over the years. It increased from 0.47 in (1953-54) to 0.51 in (1961-62) to 0.72 in (1971-72) to 0.76 (1980-81) to 0.91 in (1986-87) to 0.55 in (1992-93). Referring to the table 2.2, the process of financial intermediation was found to exist during the periods 1951-56, 1966-71, 1971-76 then 1981-86. On average, however, the processes of financial disintermediation was also found to exist during the periods 1956-66, 1976-81 and 1986-91. The increase in IR is an indicator of greater relative increase in secondary issues than the primary issues, whereas the fall in these ratios reflects the higher proportion of primary issues to the secondary issues. The value of these ratios provide the most general indicator of the degree of institutionalization of financing in the economy.

The decline in this ratio in recent years reflects the notable increase in the primary issues by the Government and also by larger equity and debenture issues by the private corporate business sector.

Finance Ratio(FR), has also been indicating rising trend since 1951-52 to more recent period. FR was as low as 0.01 in 1951-52 and it has increased to 0.5 1992-93; in otherwords, it has increased from 1% to 50% over a span of forty two years. This ratio indicates that the financial growth in relation to economic growth has been phenomenal. The upward trend clearly points to the important and increasing role of the financial structure of the Indian economy since the beginning of first five year plan; growth rate of FR has been fluctuating in the sub-periods. but it had never been negative during all the periods.

In recapitulation, the salient features of the financial development and economic growth in India over the last four decades can be summed up as follows :

- * The financial structure has grown more rapidly than national income.
- * The ratio of financial claims to net capital formation (FIR) increased over the years in the process of development.
- * The increase in the relative size of the financial structure to the real structure as shown by FIR is an indication of the greater degree of separation of the functions of saving and investment among different units.

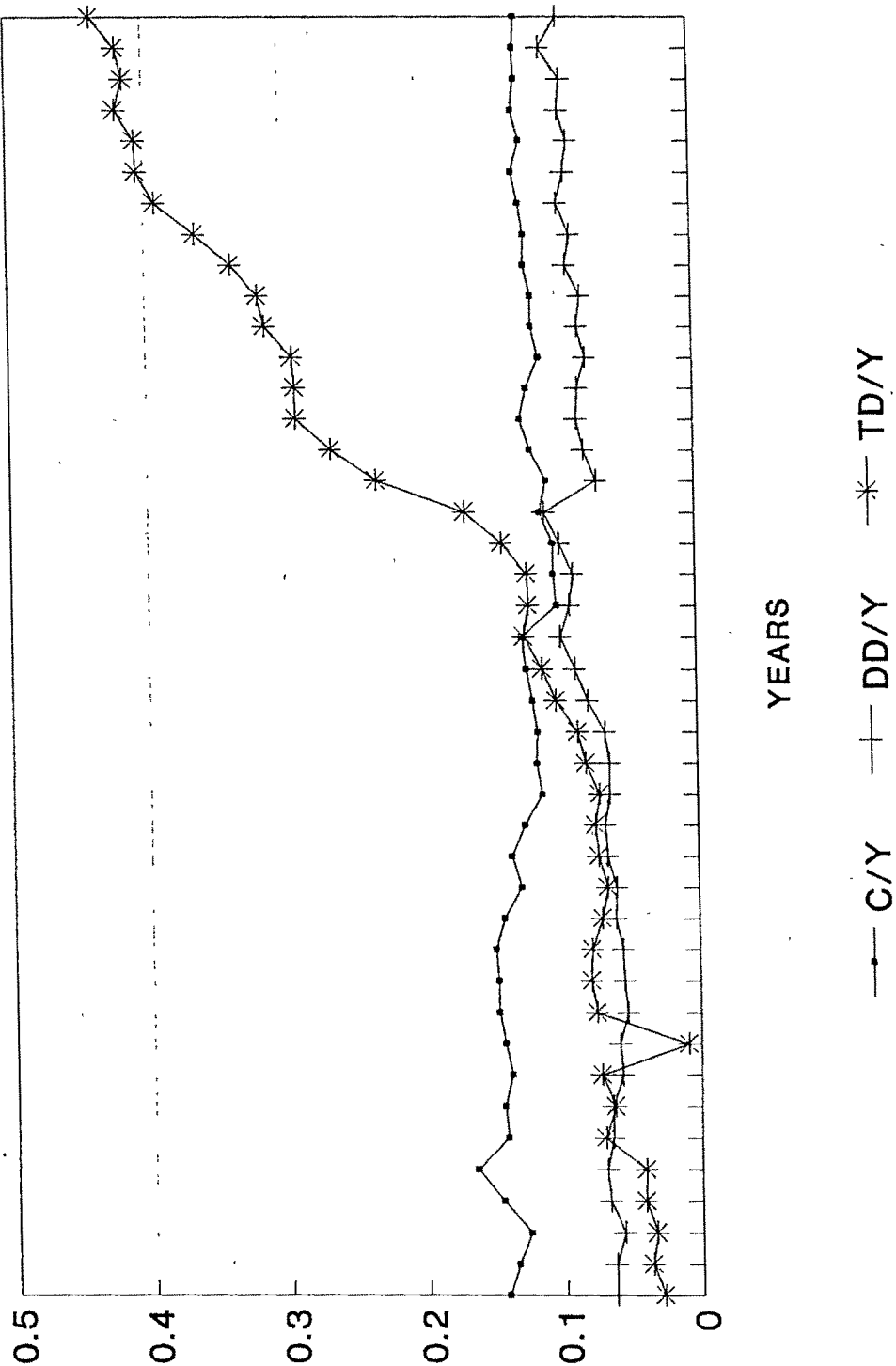
- * There has been a marked rise in the institutionalization of saving as evidenced by increasing ownership of financial assets in the economy. This has led to greater diversity in the Financial Instruments in the economy. The institutionalization of saving has made more progress in respect of short-term financial assets particularly monetary assets than long-term assets, like securities.
- * The share of the banking system and other Financial Institutions taken together in the total financial claims has increased gradually over the years.
- * The role of the foreign sector in financing economic activity in the country is declining when compared to the role of domestic financing.
- * The share of government sector in the disposition of domestic saving has substantially increased.

2.3 Growth of Monetary Assets :

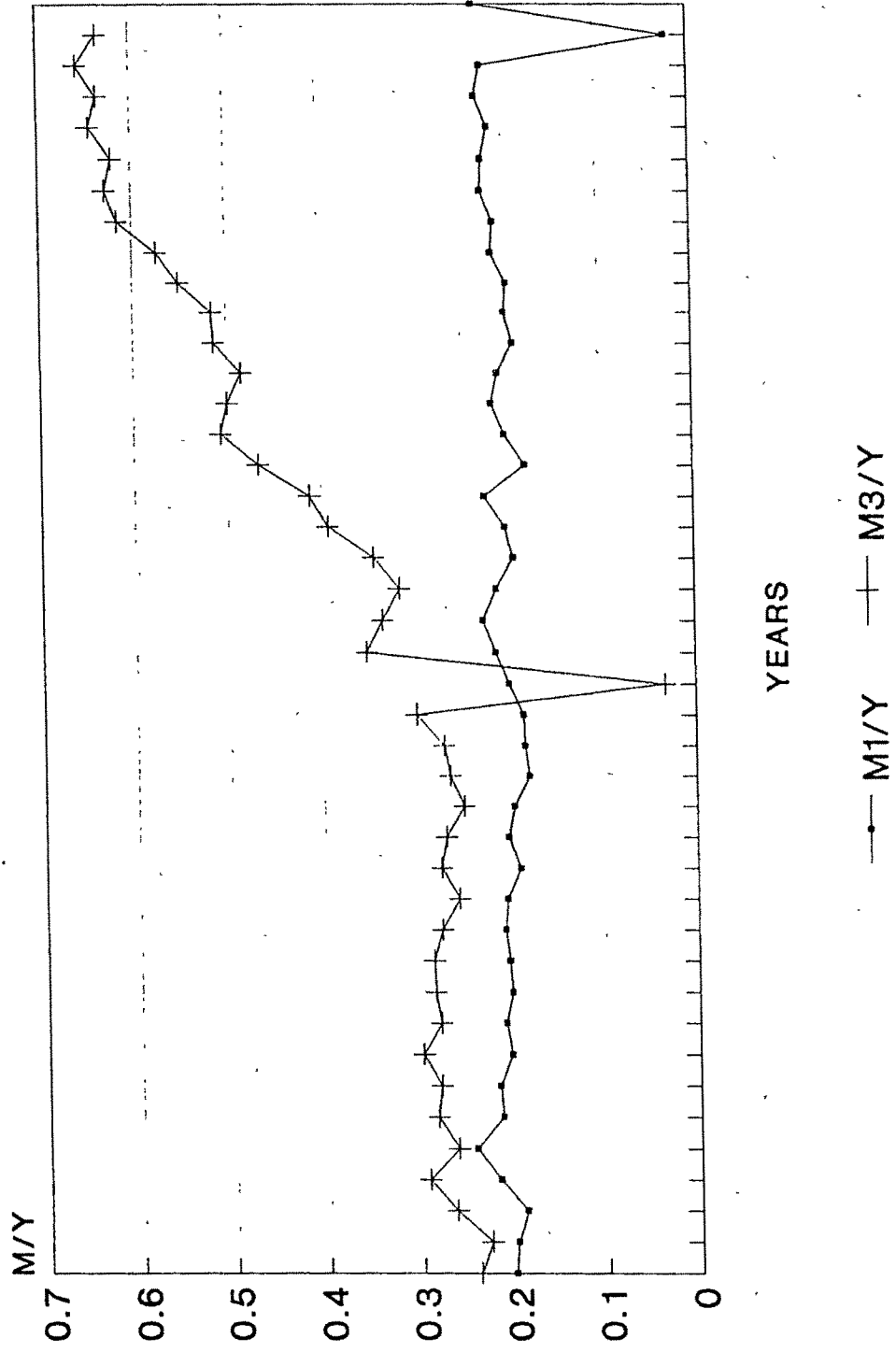
Table 2.3 shows various components of money supply currency, demand deposits and time deposits-M1 (Currency+Demand Deposits+Other Deposits) and M3 (M1+Time Deposits) and the ratios of the each of the components to the NNP at current prices.

The empirical study on financial growth in more advanced countries usually show that after a certain stage, currency as a payment mechanism loses its importance to other finer and more sophisticated mechanism like demand deposits and time deposits. This trend is found to be prevailing in INDIA during the sample period of 1951-52 to 1992-93. Currency which accounted for nearly 70% of M1 and 65% of M3 in 1951-52 enjoyed only 55% of M1 and 40% of M3 by 1971-72. In 1980-81 C/M1 and C/M3 reached the figures of 58% and 24% and by 1990-91 they have reached the figures of 57% and 20%. On the other hand, the share of demand deposits had changed from 30% and 27% in 1951-52 to 40% and 27% of M1 and M3 in 1971-72. The share of time deposits in M1 and M3 were 14% and 12% in 1951-52 have changed to 37% and 27% in 1960-61 and have further changed to 51% and 33% by 1971-72. Interestingly, time deposits share in M1 and M3 has increased to 139% and 58% in 1980-81 and has further increased to 184% and 65% by 1990-91. All this clearly indicates that a significant change seems to have occurred in the structure of asset demand in India with a shift out of narrow money into time deposits since the inception of planning. It might mean that a significant portion of the shift might have been spurred by rapid monetisation of the economy on the one hand and change in the wealth holders preferences due to availability of near money assets and broad socioeconomic changes. Examining the share of C, DD, TD, M1 and M3 as proportion of national income at current prices, it is

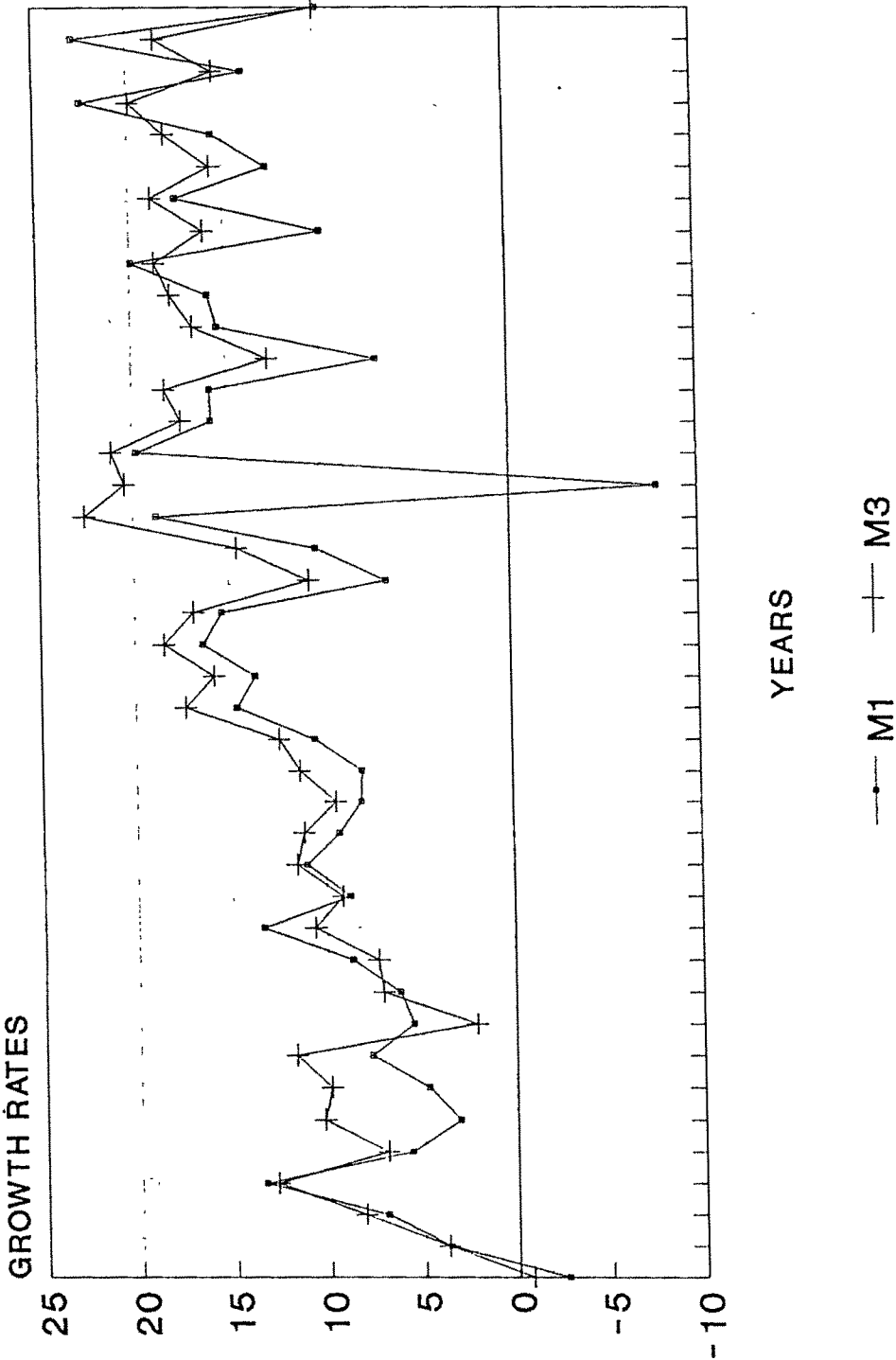
GROWTH OF MONETARY ASSETS
1951-52 TO 1992-93



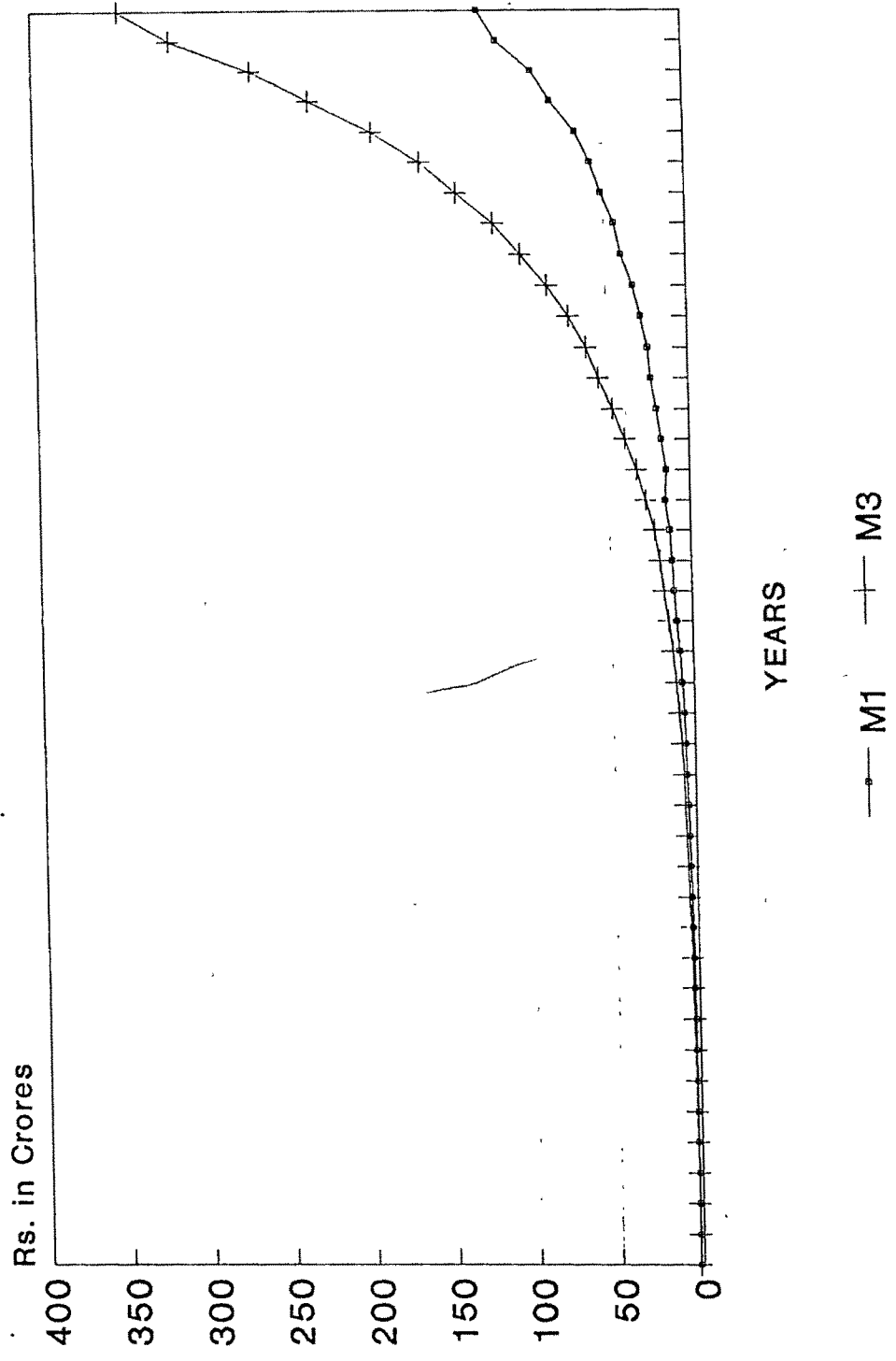
MONETARY DEEPENING IN INDIA
1951-52 TO 1992-93



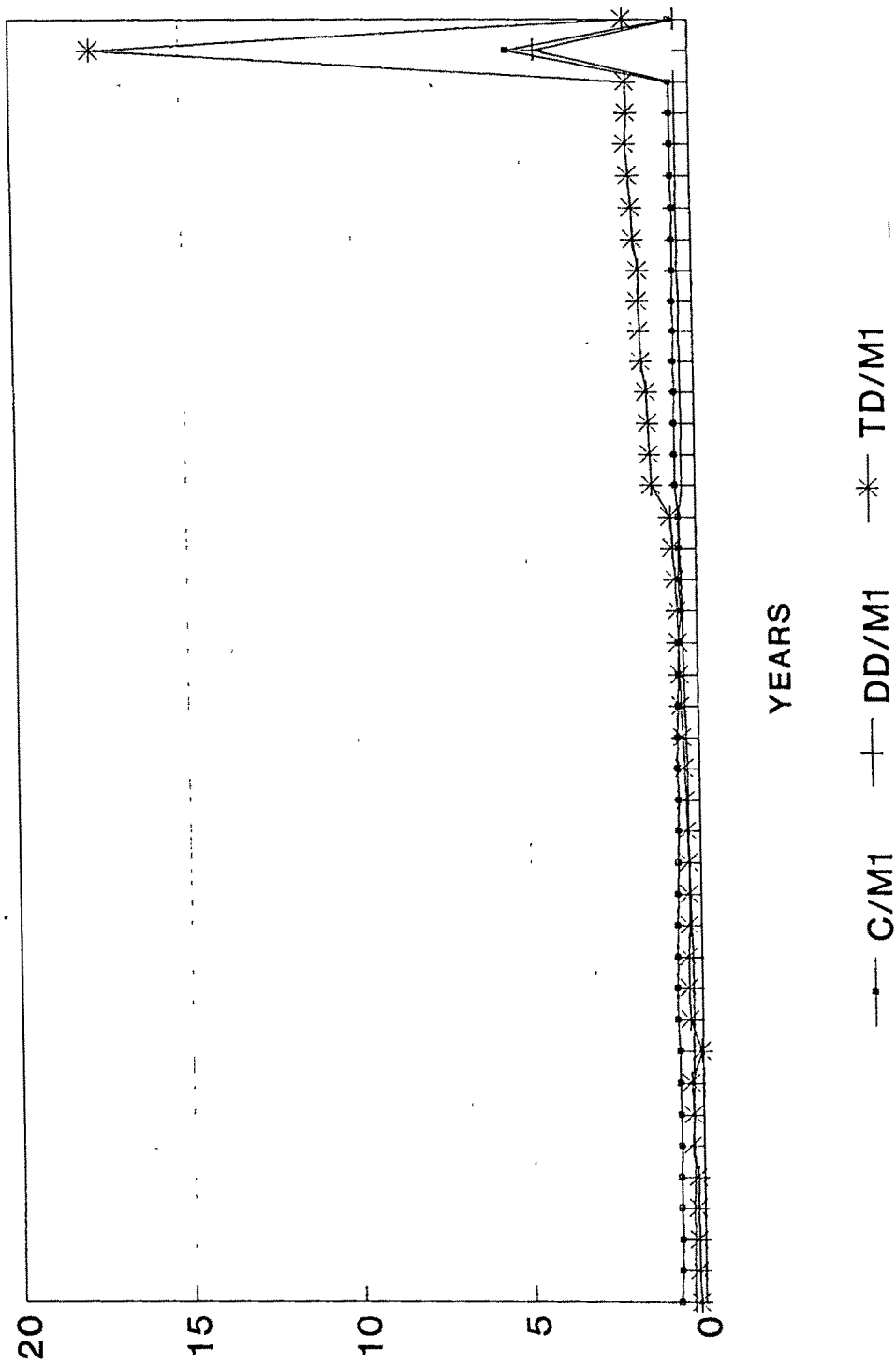
GROWTH RATES OF M1 & M3
1951-52 TO 1992-93



MONEY STOCK MEASURES - M1 & M3
1951-52 TO 1992-93



GROWTH OF MONETARY ASSETS
1951-52 TO 1992-92



GROWTH OF MONETARY ASSETS
1951-52 TO 1992-92

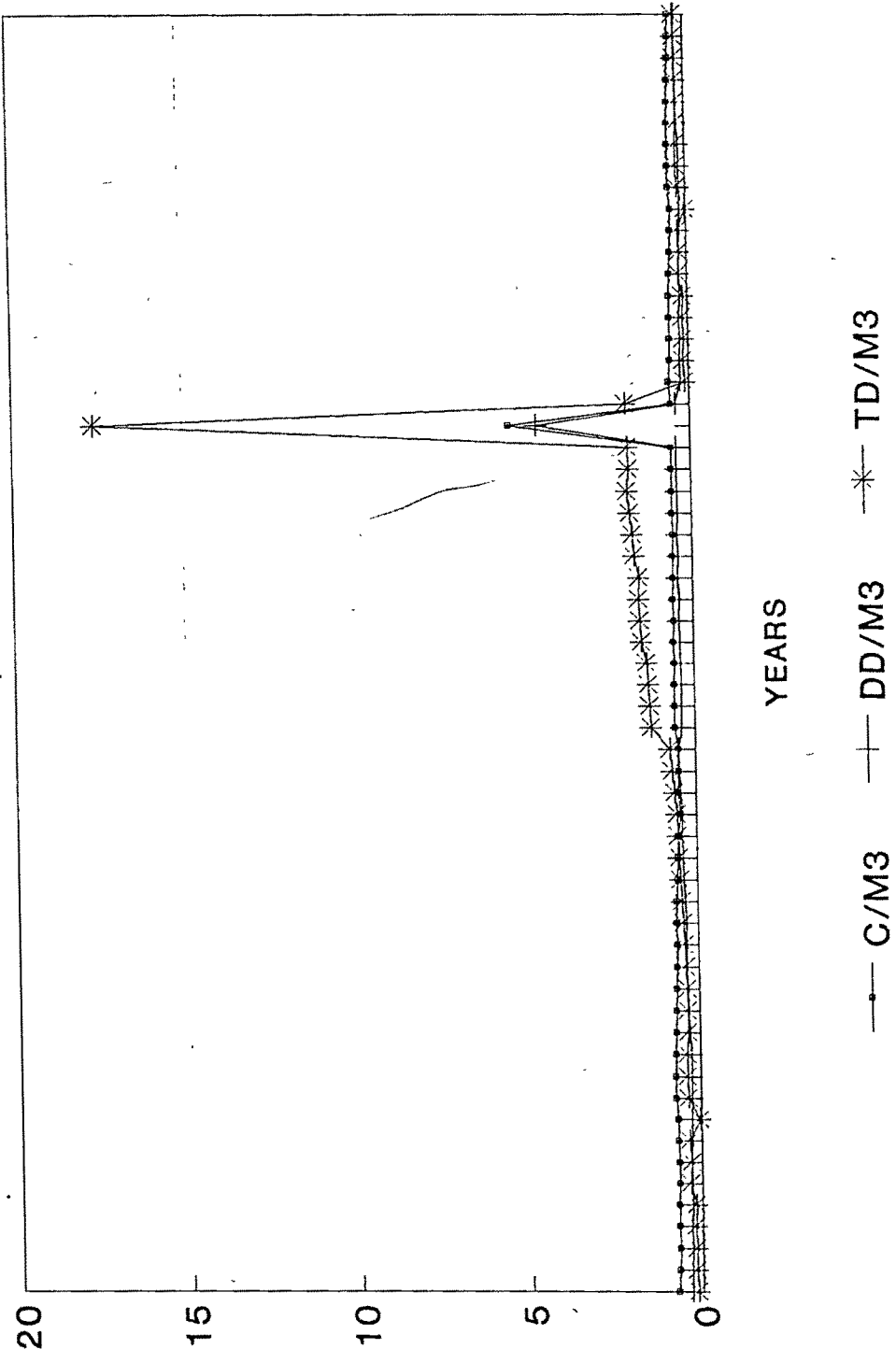


Table 2.3
Components of Money Supply & Indicators of Monetary deepening (Rs. Crores)

Period	Currency With the Public (C)	Demand Deposits (DD)	Time Deposits (TD)	M1 (Rs. In Crores)	M3 (Rs. In Crores)	NNP At Current Prices (Y) (Rs. In Crores)	M1/Y	M3/Y
	(Rs. In Crores)	(Rs. In Crores)	(Rs. In Crores)	(Rs. In Crores)	(Rs. In Crores)	(Rs. In Crores)		
1951-52	1285.00	575.00	257.00	1812.00	2137.00	9034.00	0.20	0.24
1952-53	1199.00	565.00	327.00	1764.00	2121.00	8882.00	0.20	0.24
1953-54	1219.00	555.00	327.00	1828.00	2200.00	9696.00	0.19	0.23
1954-55	1312.00	609.00	377.00	1955.00	2379.00	9023.00	0.22	0.26
1955-56	1505.00	637.00	379.00	2217.00	2683.00	9161.00	0.24	0.29
1956-57	1557.00	711.00	772.00	2342.00	2869.00	10972.00	0.21	0.26
1957-58	1607.00	723.00	707.00	2413.00	3163.00	11177.00	0.22	0.28
1958-59	1725.00	719.00	903.00	2526.00	3476.00	12459.00	0.20	0.28
1959-60	1863.00	772.00	119.00	2720.00	3883.00	13035.00	0.21	0.30
1960-61	2098.00	757.00	1080.00	2869.00	3964.00	14242.00	0.20	0.28
1961-62	2201.00	827.00	1190.00	3046.00	4243.00	14946.00	0.20	0.28
1962-63	2379.00	900.00	1255.00	3310.00	4553.00	15947.00	0.21	0.29
1963-64	2606.00	1115.00	1291.00	3752.00	5037.00	18258.00	0.21	0.28
1964-65	2769.00	1289.00	1420.00	4080.00	5499.00	21373.00	0.19	0.26
1965-66	3034.00	1478.00	1624.00	4529.00	6134.00	22247.00	0.20	0.28
1966-67	3197.00	1712.00	1894.00	4950.00	6817.00	25215.00	0.20	0.27
1967-68	3376.00	1918.00	2132.00	5350.00	7460.00	29745.00	0.18	0.25
1968-69	3682.00	2016.00	2553.00	5779.00	8306.00	31311.00	0.18	0.27
1969-70	4010.00	2318.00	3007.00	6387.00	9337.00	34421.00	0.19	0.27
1970-71	4383.00	2910.00	3752.00	7321.00	10958.00	36503.00	0.20	0.30
1971-72	4822.00	3437.00	4370.00	8320.00	1269.00	38717.00	0.21	0.03
1972-73	5420.00	4213.00	5349.00	9684.00	15033.00	42510.00	0.23	0.35
1973-74	5308.00	4819.00	6399.00	11172.00	17571.00	52362.00	0.21	0.34
1974-75	6347.00	5483.00	7553.00	11911.00	19457.00	61290.00	0.19	0.32
1975-76	6704.00	6385.00	9143.00	13143.00	22286.00	64623.00	0.20	0.34
1976-77	7873.00	7636.00	11671.00	15609.00	27321.00	69523.00	0.22	0.39
1977-78	8631.00	5687.00	18518.00	14383.00	32906.00	79749.00	0.18	0.41
1978-79	10212.00	6843.00	22632.00	17229.00	39861.00	85298.00	0.20	0.47
1979-80	11687.00	7855.00	26848.00	19953.00	46801.00	92324.00	0.22	0.51
1980-81	13464.00	9336.00	32241.00	23117.00	55358.00	110685.00	0.21	0.50
1981-82	14492.00	10087.00	37697.00	24729.00	62426.00	128797.00	0.19	0.48
1982-83	16659.00	11876.00	44333.00	28535.00	72868.00	141875.00	0.20	0.51
1983-84	19553.00	13513.00	52833.00	33066.00	85899.00	166550.00	0.20	0.52
1984-85	22664.00	16985.00	62308.00	39649.00	101957.00	185018.00	0.21	0.55
1985-86	25168.00	18180.00	74739.00	43551.00	118338.00	206133.00	0.21	0.57
1986-87	28585.00	22240.00	89456.00	51177.00	140633.00	228402.00	0.22	0.62
1987-88	33650.00	23855.00	104858.00	57656.00	162660.00	258891.00	0.22	0.63
1988-89	38415.00	27730.00	125478.00	66607.00	192085.00	309289.00	0.22	0.62
1989-90	46300.00	34162.00	149890.00	81580.00	230309.00	357285.00	0.23	0.64
1990-91	53048.00	39170.00	172936.00	92892.00	265828.00	418074.00	0.22	0.64
1991-92	61232.00	51983.00	200973.00	11411.00	315084.00	479612.00	0.02	0.66
1992-93	68899.00	52016.00	238419.00	125347.00	346734.00	545434.00	0.23	0.64

Source :

Report on Currency & Finance Publication of RBI Bulletin

Reserve Bank of India Bulletin various Issues

Centre for monitoring Indian Economy

Economic Survey

Table 2.4 Growth of Monetary Assets									
Period	C/Y	DD/Y	TD/Y	C/M1	C/M3	DD/M1	DD/M3	TD/M1	TD/M3
1951-52	0.14	0.06	0.03	0.71	0.60	0.32	0.27	0.14	0.12
1952-53	0.13	0.06	0.04	0.68	0.57	0.32	0.27	0.19	0.15
1953-54	0.13	0.06	0.03	0.67	0.55	0.30	0.25	0.18	0.15
1954-55	0.15	0.07	0.04	0.67	0.55	0.31	0.26	0.19	0.16
1955-56	0.16	0.07	0.04	0.68	0.56	0.29	0.24	0.17	0.14
1956-57	0.14	0.06	0.07	0.66	0.54	0.30	0.25	0.33	0.27
1957-58	0.14	0.06	0.06	0.67	0.51	0.30	0.23	0.29	0.22
1958-59	0.14	0.06	0.07	0.68	0.50	0.28	0.21	0.36	0.26
1959-60	0.14	0.06	0.01	0.68	0.48	0.28	0.20	0.04	0.03
1960-61	0.15	0.05	0.08	0.73	0.53	0.26	0.19	0.38	0.27
1961-62	0.15	0.06	0.08	0.72	0.52	0.27	0.19	0.39	0.28
1962-63	0.15	0.06	0.08	0.72	0.52	0.27	0.20	0.38	0.28
1963-64	0.14	0.06	0.07	0.69	0.52	0.30	0.22	0.34	0.26
1964-65	0.13	0.06	0.07	0.68	0.50	0.32	0.23	0.35	0.26
1965-66	0.14	0.07	0.07	0.67	0.49	0.33	0.24	0.36	0.26
1966-67	0.13	0.07	0.08	0.65	0.47	0.35	0.25	0.38	0.28
1967-68	0.11	0.06	0.07	0.63	0.45	0.36	0.26	0.40	0.29
1968-69	0.12	0.06	0.08	0.64	0.44	0.35	0.24	0.44	0.31
1969-70	0.12	0.07	0.09	0.63	0.43	0.36	0.25	0.47	0.32
1970-71	0.12	0.08	0.10	0.60	0.40	0.40	0.27	0.51	0.34
1971-72	0.12	0.09	0.11	0.58	3.80	0.41	2.71	0.53	3.44
1972-73	0.13	0.10	0.13	0.56	0.36	0.44	0.28	0.55	0.36
1973-74	0.10	0.09	0.12	0.48	0.30	0.43	0.27	0.57	0.36
1974-75	0.10	0.09	0.12	0.53	0.33	0.46	0.28	0.63	0.39
1975-76	0.10	0.10	0.14	0.51	0.30	0.49	0.29	0.70	0.41
1976-77	0.11	0.11	0.17	0.50	0.29	0.49	0.28	0.75	0.43
1977-78	0.11	0.07	0.23	0.60	0.26	0.40	0.17	1.29	0.56
1978-79	0.12	0.08	0.27	0.59	0.26	0.40	0.17	1.31	0.57
1979-80	0.13	0.09	0.29	0.59	0.25	0.39	0.17	1.35	0.57
1980-81	0.12	0.08	0.29	0.58	0.24	0.40	0.17	1.39	0.58
1981-82	0.11	0.08	0.29	0.59	0.23	0.41	0.16	1.52	0.60
1982-83	0.12	0.08	0.31	0.58	0.23	0.42	0.16	1.55	0.61
1983-84	0.12	0.08	0.32	0.59	0.23	0.41	0.16	1.60	0.62
1984-85	0.12	0.09	0.34	0.57	0.22	0.43	0.17	1.57	0.61
1985-86	0.12	0.09	0.36	0.58	0.21	0.42	0.15	1.72	0.63
1986-87	0.13	0.10	0.39	0.56	0.20	0.43	0.16	1.75	0.64
1987-88	0.13	0.09	0.41	0.58	0.21	0.41	0.15	1.82	0.64
1988-89	0.12	0.09	0.41	0.58	0.20	0.42	0.14	1.88	0.65
1989-90	0.13	0.10	0.42	0.57	0.20	0.42	0.15	1.84	0.65
1990-91	0.13	0.09	0.41	0.57	0.20	0.42	0.15	1.86	0.65
1991-92	0.13	0.11	0.42	5.37	0.19	4.56	0.16	17.61	0.64
1992-93	0.13	0.10	0.44	0.55	0.20	0.41	0.15	1.90	0.69

Source :

Report on Currency & Finance Publication of RBI Bulletin
Reserve Bank of India Bulletin various Issues
Centre for monitoring Indian Economy

Table 2.5
Gross Domestic Saving and its Composition

Period	House Hold			Private	Public	Total
	Financial Savings (1)	Physical Savings (2)	Total (1+2) (3)	Corporate Sector (4)	Sector (5)	Savings (3+4+5)
1951-52	14.00	607.00	621.00	132.00	252.00	1005.00
1952-53	72.00	529.00	601.00	60.00	145.00	806.00
1953-54	142.00	567.00	709.00	86.00	127.00	922.00
1954-55	282.00	507.00	789.00	114.00	151.00	1054.00
1955-56	429.00	699.00	1128.00	130.00	172.00	1430.00
1956-57	333.00	884.00	1217.00	151.00	231.00	1599.00
1957-58	291.00	717.00	1008.00	117.00	245.00	1370.00
1958-59	362.00	684.00	1046.00	136.00	227.00	1409.00
1959-60	433.00	916.00	1349.00	180.00	236.00	1765.00
1960-61	456.00	906.00	1362.00	276.00	425.00	2063.00
1961-62	489.00	795.00	1284.00	315.00	494.00	2093.00
1962-63	499.00	1073.00	1572.00	338.00	566.00	2476.00
1963-64	743.00	987.00	1730.00	387.00	709.00	2826.00
1964-65	714.00	1223.00	1937.00	381.00	817.00	3135.00
1965-66	1072.00	1514.00	2586.00	396.00	809.00	3791.00
1966-67	864.00	2568.00	3432.00	414.00	668.00	4514.00
1967-68	865.00	2566.00	3431.00	399.00	667.00	4497.00
1968-69	795.00	2617.00	3412.00	427.00	858.00	4697.00
1969-70	919.00	3556.00	4475.00	536.00	1033.00	6044.00
1970-71	1317.00	3502.00	4819.00	657.00	1253.00	6729.00
1971-72	1555.00	3922.00	5477.00	753.00	1278.00	7508.00
1972-73	2128.00	3585.00	5713.00	788.00	1332.00	7833.00
1973-74	3612.00	4950.00	8562.00	1063.00	1807.00	11432.00
1974-75	2374.00	6236.00	8610.00	1440.00	2676.00	12726.00
1975-76	3918.00	6616.00	10534.00	1055.00	3339.00	14928.00
1976-77	4852.00	7846.00	12698.00	1147.00	4185.00	18030.00
1977-78	5853.00	8833.00	14686.00	1376.00	4168.00	20230.00
1978-79	6658.00	11089.00	17747.00	1611.00	4780.00	24138.00
1979-80	6081.00	11248.00	17329.00	2352.00	4967.00	24648.00
1980-81	8597.00	13238.00	21835.00	2284.00	4654.00	28773.00
1981-82	9593.00	14114.00	23707.00	2496.00	7254.00	33457.00
1982-83	12563.00	11148.00	23711.00	2908.00	7822.00	34441.00
1983-84	13554.00	16931.00	30485.00	3172.00	6781.00	40438.00
1984-85	17742.00	14889.00	32631.00	3947.00	6526.00	43104.00
1985-86	18566.00	21245.00	39811.00	5318.00	8457.00	53586.00
1986-87	24041.00	20171.00	44212.00	5212.00	8002.00	57426.00
1987-88	26820.00	25712.00	52532.00	5790.00	7223.00	65545.00
1988-89	27601.00	42718.00	70319.00	8319.00	8101.00	86739.00
1989-90	41509.00	48798.00	90307.00	11650.00	7423.00	109380.00
1990-91	46733.00	61486.00	108219.00	14940.00	5436.00	128595.00
1991-92	57453.00	58071.00	115524.00	19490.00	11888.00	146902.00
1992-93	57099.00	65619.00	122718.00	19841.00	10820.00	153379.00

Source :

Economic Survey

Centre for monitoring Indian Economy

Report on Currency and Finance (Reserve Bank of India) in respect of data on financial assets.

National Accounts Statistics (Central Statistical Organisation Government of India) in respect of data on physical assets.

Table 2.6 Composition of Total Savings (Percentage)						
Period	FS/TSHH	PH.S/TSHH	FS/TS	PHS/TS	PCBSS/TS	PSS/TS
1951-52	2.25%	97.75%	1.39%	60.40%	13.13%	25.07%
1952-53	11.98%	88.02%	8.93%	65.63%	7.44%	17.99%
1953-54	20.03%	79.97%	15.40%	61.50%	9.33%	13.77%
1954-55	35.74%	64.26%	26.76%	48.10%	10.82%	14.33%
1955-56	38.03%	61.97%	30.00%	48.88%	9.09%	12.03%
1956-57	27.36%	72.64%	20.83%	55.28%	9.44%	14.45%
1957-58	28.87%	71.13%	21.24%	52.34%	8.54%	17.88%
1958-59	34.61%	65.39%	25.69%	48.55%	9.65%	16.11%
1959-60	32.10%	67.90%	24.53%	51.90%	10.20%	13.37%
1960-61	33.48%	66.52%	22.10%	43.92%	13.38%	20.60%
1961-62	38.08%	61.92%	23.36%	37.98%	15.05%	23.60%
1962-63	31.74%	68.26%	20.15%	43.34%	13.65%	22.86%
1963-64	42.95%	57.05%	26.29%	34.93%	13.69%	25.09%
1964-65	36.86%	63.14%	22.78%	39.01%	12.15%	26.06%
1965-66	41.45%	58.55%	28.28%	39.94%	10.45%	21.34%
1966-67	25.17%	74.83%	19.14%	56.89%	9.17%	14.80%
1967-68	25.21%	74.79%	19.24%	57.06%	8.87%	14.83%
1968-69	23.30%	76.70%	16.93%	55.72%	9.09%	18.27%
1969-70	20.54%	79.46%	15.21%	58.84%	8.87%	17.09%
1970-71	27.33%	72.67%	19.57%	52.04%	9.76%	18.62%
1971-72	28.39%	71.61%	20.71%	52.24%	10.03%	17.02%
1972-73	37.25%	62.75%	27.17%	45.77%	10.06%	17.00%
1973-74	42.19%	57.81%	31.60%	43.30%	9.30%	15.81%
1974-75	27.57%	72.43%	18.65%	49.00%	11.32%	21.03%
1975-76	37.19%	62.81%	26.25%	44.32%	7.07%	22.37%
1976-77	38.21%	61.79%	26.91%	43.52%	6.36%	23.21%
1977-78	39.85%	60.15%	28.93%	43.66%	6.80%	20.60%
1978-79	37.52%	62.48%	27.58%	45.94%	6.67%	19.80%
1979-80	35.09%	64.91%	24.67%	45.63%	9.54%	20.15%
1980-81	39.37%	60.63%	29.88%	46.01%	7.94%	16.17%
1981-82	40.46%	59.54%	28.67%	42.19%	7.46%	21.68%
1982-83	52.98%	47.02%	36.48%	32.37%	8.44%	22.71%
1983-84	44.46%	55.54%	33.52%	41.87%	7.84%	16.77%
1984-85	54.37%	45.63%	41.16%	34.54%	9.16%	15.14%
1985-86	46.64%	53.36%	34.65%	39.65%	9.92%	15.78%
1986-87	54.38%	45.62%	41.86%	35.13%	9.08%	13.93%
1987-88	51.05%	48.95%	40.92%	39.23%	8.83%	11.02%
1988-89	39.25%	60.75%	31.82%	49.25%	9.59%	9.34%
1989-90	45.96%	54.04%	37.95%	44.61%	10.65%	6.79%
1990-91	43.18%	56.82%	36.34%	47.81%	11.62%	4.23%
1991-92	49.73%	50.27%	39.11%	39.53%	13.27%	8.09%
1992-93	46.53%	53.47%	37.23%	42.78%	12.94%	7.05%

Source :

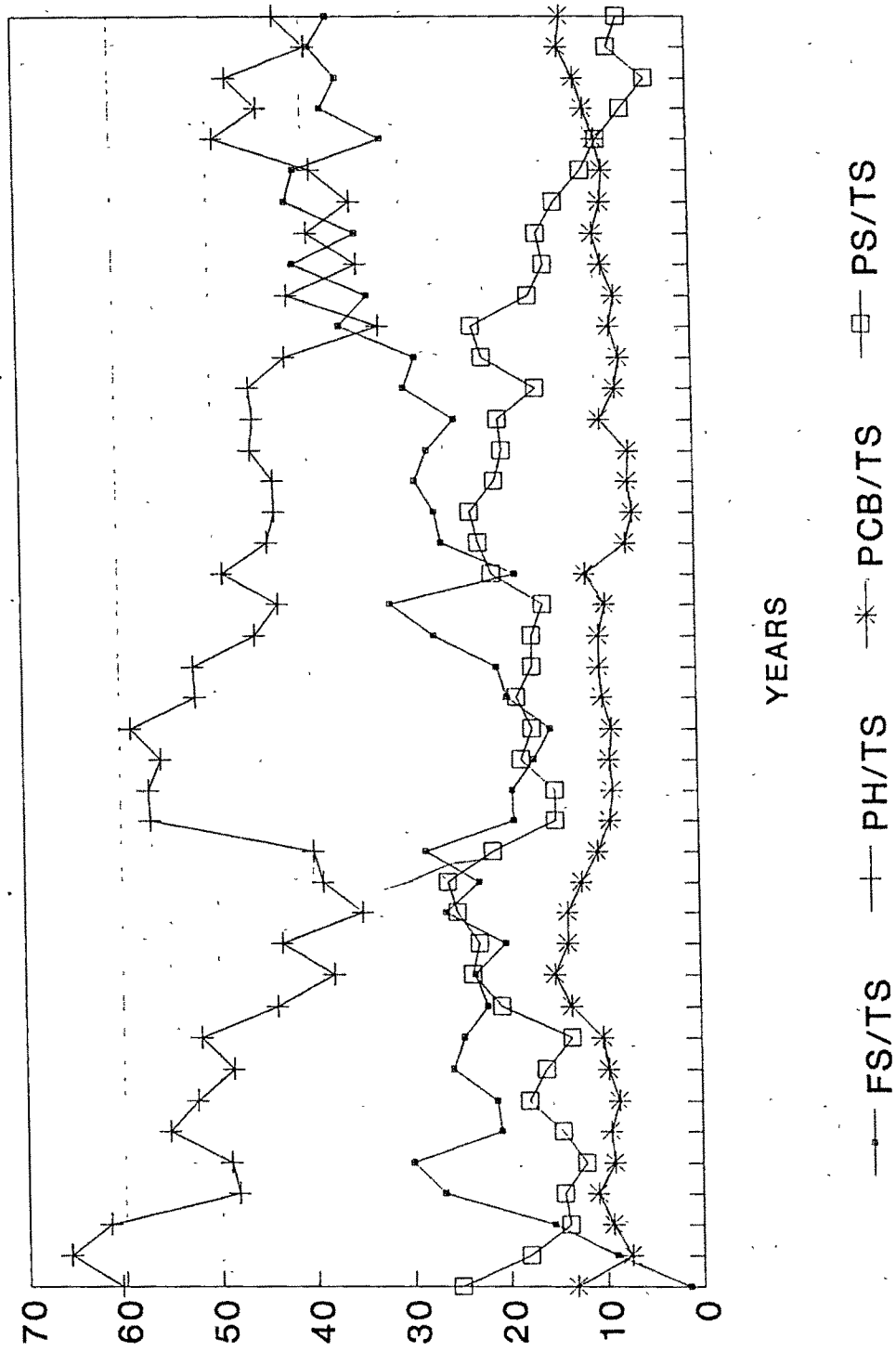
Economic Survey

Centre for monitoring Indian Economy

Report on Currency and Finance (Reserve Bank of India) in respect of data on financial assets.

National Accounts Statistics (Central Statistical Organisation Government of India) in respect of data on physical assets.

COMPOSITION OF TOTAL SAVINGS (%)
1951-52 TO 1992-93



COMPOSITION OF HOUSEHOLD SAVINGS
1951-52 TO 1992-93

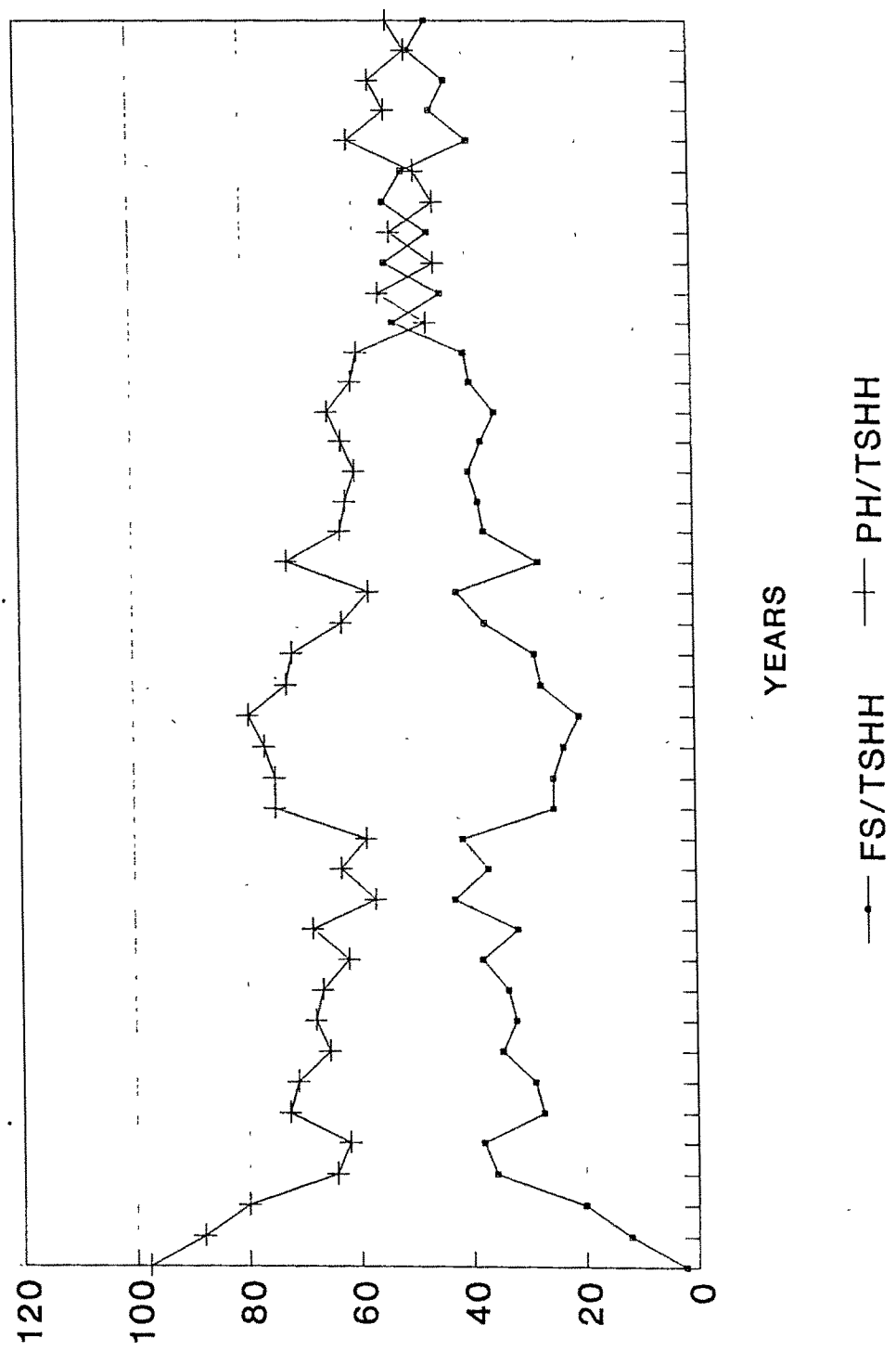


Table 2.7 Gross Domestic Savings (As a Percentage of GDP)							
Period	GDP At Market Prices (In Crores)	House Hold			Private Corporate Sector	Public Sector	Total Savings
		Financial Savings (1)	Physical Savings (2)	Total (1+2) (3)			
		(1)	(2)	(3)	(4)	(5)	(3+4+5)
1951-52	9966	0.14%	6.09%	6.23%	1.32%	2.53%	10.08%
1952-53	9774	0.74%	5.41%	6.15%	0.61%	1.48%	8.25%
1953-54	13638	1.04%	4.16%	5.20%	0.63%	0.93%	6.76%
1954-55	10073	2.80%	5.03%	7.83%	1.13%	1.50%	10.46%
1955-56	10258	4.18%	6.81%	11.00%	1.27%	1.68%	13.94%
1956-57	12217	2.73%	7.24%	9.96%	1.24%	1.89%	13.09%
1957-58	12598	2.31%	5.69%	8.00%	0.93%	1.94%	10.87%
1958-59	14034	2.58%	4.87%	7.45%	0.97%	1.62%	10.04%
1959-60	14793	2.93%	6.19%	9.12%	1.22%	1.60%	11.93%
1960-61	16201	2.81%	5.59%	8.41%	1.70%	2.62%	12.73%
1961-62	17177	2.85%	4.63%	7.48%	1.83%	2.88%	12.18%
1962-63	18476	2.70%	5.81%	8.51%	1.83%	3.06%	13.40%
1963-64	21237	3.50%	4.65%	8.15%	1.82%	3.34%	13.31%
1964-65	24765	2.88%	4.94%	7.82%	1.54%	3.30%	12.66%
1965-66	26145	4.10%	5.79%	9.89%	1.51%	3.09%	14.50%
1966-67	29571	2.92%	8.68%	11.61%	1.40%	2.26%	15.26%
1967-68	34611	2.50%	7.41%	9.91%	1.15%	1.93%	12.99%
1968-69	36674	2.17%	7.14%	9.30%	1.16%	2.34%	12.81%
1969-70	40387	2.28%	8.80%	11.08%	1.33%	2.56%	14.97%
1970-71	43163	3.05%	8.11%	11.16%	1.52%	2.90%	15.59%
1971-72	46257	3.36%	8.48%	11.84%	1.63%	2.76%	16.23%
1972-73	51005	4.17%	7.03%	11.20%	1.54%	2.61%	15.36%
1973-74	62007	5.83%	7.98%	13.81%	1.71%	2.91%	18.44%
1974-75	73235	3.24%	8.52%	11.76%	1.97%	3.65%	17.38%
1975-76	78761	4.97%	8.40%	13.37%	1.34%	4.24%	18.95%
1976-77	84894	5.72%	9.24%	14.96%	1.35%	4.93%	21.24%
1977-78	96067	6.09%	9.19%	15.29%	1.43%	4.34%	21.06%
1978-79	104190	6.39%	10.64%	17.03%	1.55%	4.59%	23.17%
1979-80	114356	5.32%	9.84%	15.15%	2.06%	4.34%	21.55%
1980-81	136013	6.32%	9.73%	16.05%	1.68%	3.42%	21.15%
1981-82	159760	6.00%	8.83%	14.84%	1.56%	4.54%	20.94%
1982-83	178132	7.05%	6.26%	13.31%	1.63%	4.39%	19.33%
1983-84	207589	6.53%	8.16%	14.69%	1.53%	3.27%	19.48%
1984-85	231343	7.67%	6.44%	14.11%	1.71%	2.82%	18.63%
1985-86	262243	7.08%	8.10%	15.18%	2.03%	3.22%	20.43%
1986-87	292949	8.21%	6.89%	15.09%	1.78%	2.73%	19.60%
1987-88	333201	8.05%	7.72%	15.77%	1.74%	2.17%	19.67%
1988-89	395782	6.97%	10.79%	17.77%	2.10%	2.05%	21.92%
1989-90	456821	9.09%	10.68%	19.77%	2.55%	1.62%	23.94%
1990-91	535534	8.73%	11.48%	20.21%	2.79%	1.02%	24.01%
1991-92	616799	9.31%	9.41%	18.73%	3.16%	1.93%	23.82%
1992-93	705328	8.10%	9.30%	17.40%	2.81%	1.53%	21.75%

Source :

Economic Survey

Centre for monitoring Indian Economy

Report on Currency and Finance (Reserve Bank of India) in respect of data on financial assets.

National Accounts Statistics (Central Statistical Organisation Government of India) in respect of data on physical assets.

found that the share of currency has fallen from around 18% in 1951-52 to 13% by 1990-91; On the other hand, the shares of DD and TD has increased from around 6% and 3% respectively in 1951-52 to 9% and 43% in 1990-91. It appears that currency has lost heavily mainly to Time Deposits (TD) and Demand Deposits (DD). Further more, analyzing the ratios M/Y and M3/Y as indicators of monetary deepening, it is found that the growth of monetary assets in India is quite satisfactory. The M1/Y has been found to be stable around 22% during 1951-52 to 1990-91. On the other hand, M3/Y has been steadily increasing over the years. Its value has increased from 15% in 1951-52 to 20% in 1961-62 to 30% 1971-72 to 66% in 1990-91. This implies that the over all asset preference augmenting bias in the Indian economy is relatively in favour of time deposits.

Monetisation as a key factor in early development, effectively introduces the adoption of money in the form of currency as a medium of exchange. The main symbolic factors associated with money are security, power and freedom, knowledge of money is directly associated with the extensive opportunities to earn and save money. The short-run impact of increasing monetisation is likely to be felt more on the demand for currency because the transition from barter to currency is psychologically and institutionally easier than that from barter to bank money which involves a quantum jump in behavioural pattern; As banking facilities diffuse, currency is supplemented by check deposits as more efficient means of large transactions. Increasing monetization is likely to make savers prefer a financial instrument that is simple and convenient, that does not involve such transaction costs and that can be easily and without loss converted into money. Interest bearing deposits of various maturities do provide such a financial instrument to the extent that these instruments are in demand, supply responded through the setting up of new Financial Institutions.

2.4 Intersectoral Financial Transactions

Analysis of intersectoral financial transactions based on the flow of funds (FOF) system of accounting is quite helpful for understanding financial structure of an economy. Under this framework aggregate economy is divided into a number of institutionally homogeneous sectors, transactions of each of which are presented under 'sources' and 'uses' of funds. In India, a model flow of funds table showing 'non-financial' and 'financial' transactions separately was prepared for the year 1957-58 by the Working Group on Flow of

Funds⁷⁶. Transactions involving use of money or credit relating to flows of goods and services and unilateral transfers (for example taxes, gifts and donations) are termed non-financial while those relating to borrowing and debt repayment and accumulation of or reduction in financial assets are called financial flows. Thereafter, work of constructing 'financial flows' was taken over by the Reserve Bank of India (RBI) as a regular feature. However, there were no efforts for constructing 'non-financial flows'.

The analysis of Flow of Funds data have often been conducted through two approaches.- The sectorial and Financial Instruments type. An important function of the financial system is to channel resources from surplus to the deficit units in the economy in an efficient manner. The sectoral approach analyses this issue. On the other hand, the financial system is pre-eminently a network of assets and corresponding liabilities.

From the view point of financial flow of funds a deficit sector is one whose borrowing is in excess of its lending. When we have a number of sectors involved in financial transactions, a deficit sector will be a net borrower and surplus sector will be a net lender. Among the producing sectors of the Indian economy, viz. Households, PCBs and Government, Household sector is the only surplus sector while other two sectors have continuously been deficit sectors. Commercial banks are the largest financial intermediaries among the Financial Institutions. In present section we attempt to analyse lending pattern of households and commercial banks and pattern of raising funds to meet their requirements.

The Flow of Funds data classifies the Indian economy into six sectors, namely, The Banking sector (BS), Other Financial Institutions (OFI), Private Corporate Banking sector (PCBS), Government sector (GS), Rest of the World (ROW) and the Household sector (HHS). BS includes RBI, Commercial Banks and Cooperative Credit Societies, OFI includes Insurance Corporations, Provident Funds, Investment and Finance Companies and State-Sponsored Financial Institutions, PCBS includes Non-Government, Non-financial, Joint Stock Companies and Non-Credit Cooperatives, GS includes Central and State Governments, their departments, All Local Governments and Public sector undertakings, ROWs refers to Foreign Agencies, Government and Private and HS connotes Household and Unincorporated Businesses.

⁷⁶ "Report on the working group of flow of funds", Central Statistical Organisation, Government of India, 1963.

HOUSEHOLD SECTOR

Household sector is the biggest saving generating sector in the Indian economy. About 75% of the total domestic saving comes from this sector. This sector is also the only financially surplus sector among producing sectors of the economy. About 45 to 50 percent of the household sectors saving is invested in financial assets. Households financial saving is mainly in the form of cash in hand, demand deposits with banks, life insurance funds, provident fund, small savings and shares and debentures of Private Corporate Business (PCBs) and other Financial Institutions (OFI) sectors. The households savings in financial assets as a proportion of total domestic savings was 6% in 1950-51, 20% 1956-57, 23% 1961-62, 19% 1966-67, 20% in 1971- 72, 27% in 1976-77, 30% in 1981-82, 43% in 1986-87 and 37%, 52% and 48% in 1990-91, 1991-92, 1992-93 respectively. On the other hand, financial savings of households (HH) as a proportion of total household sectors saving had changed from 8.6% in 1950- 51, 27% in 1956-57 to 38% in 1961-62, 25% in 1966-67 to 28% in 1971-72, 38% in 1976-77 to 44% in 1981-82, 57% in 1986-87 and 48% in 1992-93.

The household sector's gross lending to other sectors has increased from 33.9 crores in 1951-52 to 629 crores in 1961-62 to 2280 crores in 1971-72 to 31346 crores in 1986-87 to 58191 crores in 1990-91. The gross lending of household sector as a proportion of NNP at current prices has increased from 0.37% in 1951-52 to 4% in 1961-62, 6% in 1971-72 to 10% in 1981-82 and to around 14% in 1990-91. The gross lending of the household sector to the Government sector (deficit unit) has been rising from Rs.72 crores in 1951-52 to Rs.188 crores in 1966-67 to Rs. 215 crores in 1971-72 and Rs.2758 crores in 1981-82 to Rs.6305 crores in 1986-87 and to Rs.13878 crores in 1990-91. Between 1951-52 to 1971-72, the household sector's gross lending to the Government sector had increased at an annual compound growth rate of 5.6%, it has further increased by 29% between 1971-72 to 1981-82 and 17.5% between 1981-82 to 1990-91. Over the four decades, household sector had been lending to different sectors in the form of Currency and Deposits, Investment, Small Savings, LIC and Provident Fund. It is interesting to note that Household sector Financial Savings with financial intermediaries has remained very high in comparison to its investment in non-financial sector. Its lending to banking sector has increased from Rs.15 crores rupees in 1952-53 to Rs.195 crores in 1960-61 to Rs.1168 crores in 1970-71 to Rs.2408 crores in 1980-81 to Rs.24077 crores in 1990-91. Similarly household sector lending to non-bank

financial intermediaries had also increased substantially from Rs.41 crores in 1951-52 to Rs.165 crores in 1960-61 to Rs. 4904 crores in 1970-71 to Rs.3155 crores in 1980-81 to Rs.18518 crores in 1990-91. The household sector lending to Private Corporate Business sector (PCBs) has increased from Rs.63 crores rupees in 1951-52 to Rs.108 crores in 1961-62 to Rs.183 crores in 1971-72 to Rs. 1615 crores in 1980-81 to Rs.1718 crores in 1990-91. Over the four decades household (HH) lending to (PCBs) Private Corporate sector had been changing at the annual compound growth rates of 5.5%, 5.4%, 24%, and 0.61% respectively.

Financial Sector

The total lending of the Banking sector has increased from Rs.43 Crores in 1952-53 to Rs.444 crores in 1961-62 to Rs.1887 crores in 1971-72 to Rs.10013 crores in 1981-82 to Rs.43170 crores in 1990-91.

As a percentage of NNP, its lending has increased from 0.63% in 1951-52 to 3% in 1961-62 to 5% in 1971-72 to 8% in 1981-82 and to 10% in 1990-91. It has also changed at different rates; Between 1951-52 to 1956-57, the compound growth rate has been 33%, that between 1961-66 11%, between 1971-76 24%, between 1981-86 20%, between 1986-91 it was 14%.

Similarly, the gross lending of OFI had increased from Rs.70 crores in 1951-52 to Rs.183 crores in 1961-62 to Rs.720 crores in 1971-72 to Rs.5174 crores in 1981-82 to Rs.31809 crores in 1990-91. As a percentage of NNP it had increased from 0.77% in 1951-52 to 1.2% in 1961-62 to 1.8% in 1971-72 to 4% in 1981-82 and to 7.8% in 1990-91. The Banking sector lending to the Government had increased from Rs. 75 crores in 1952-53 to Rs. 238 crores in 1961-62 to Rs. 1144 crores in 1971-72 to Rs. 5629 crores in 1981-82 to Rs. 28880 crores in 1990-91. Similarly its lending to PCBs has increased from Rs. 54 crores in 1951-52 to Rs. 124 crores in 1961-62 to Rs. 238 crores in 1971-72 to Rs.1330 crores in 1981-82 to Rs. 5259 crores in 1990-91. Similarly the lending of the OFI to the Government sector had increased from Rs. 43.2 crores in 1951-52 to Rs. 108.5 crores in 1961-62 to Rs.418.7 crores in 1971-72 to Rs. 2982 crores in 1981-82 to Rs. 12144 crores in 1990-91. Its lending to PCBs had increased from Rs. 37.7 crores in 1951-52 to Rs. 109 crores in 1966-67 to Rs.437 crores in 1976-77 to Rs. 1670 crores in 1986-87 to Rs.8414 crores in 1990-91.

Table 2.8 Total Lending of Banking Sector									
Period	HH		Banking		OFI				
	Rs. In Crores	% Growth Rate Of NNP	Rs. In Crores	% Growth Rate Of NNP	Rs. In Crores	% Growth Rate Of NNP	Rs. In Crores	% Growth Rate Of NNP	% Of NNP
1951-52	33.90	0.37		0.63	70.40	0.77			
1956-57	429.20	66.00	267.90	36.20	89.10	4.80			
1961-62	629.30	7.90	444.50	10.60	183.60	15.60			
1966-67	1133.70	12.50	758.20	11.20	369.40	15.00			
1971-72	2280.70	15.00	1887.40	20.00	720.30	14.30			
1976-77	7073.50	25.40	5507.30	23.80	2074.40	23.30			
1981-82	13619.00	14.00	10013.00	12.70	5174.00	20.10			
1986-87	31346.00	18.10	24938.00	20.00	8632.00	10.70			
1990-91	58191.00	16.70	43170.00	14.70	31809.00	38.50			

Sources :
RBI Bulletin—March 1967 and July 1969
March 1980
Flow of funds January 1992 and June 1993
Flow of funds of data in Appendix

Table 2.9 Total Lending												
Period	HH			Banking			OFI					
	GOVT. Rs. In Crores	% Rate	PCBS Rs. In Crores	% Rate	GOVT. Rs. In Crores	% Rate	PCBS Rs. In Crores	% Rate	GOVT. Rs. In Crores	% Rate	PCBS Rs. In Crores	% Rate
1951-52	72.10		63.30		-53.60		54.20		43.20		14.40	
1956-57	103.10	7.41	58.70	-1.50	294.80	ERR	107.80	14.74	46.40	1.44	37.77	21.27
1961-62	62.70	-9.47	108.70	13.11	238.60	-4.14	124.10	2.86	108.50	18.52	-172.10	ERR
1966-67	188.00	24.56	107.60	-0.20	295.00	4.34	206.20	10.69	186.20	11.41	109.00	ERR
1971-72	215.10	2.73	183.00	11.21	1144.40	31.14	238.70	2.97	418.70	17.59	93.70	-2.98
1976-77	564.50	21.28	103.30	-10.81	1423.20	4.46	805.00	27.52	1215.00	23.75	437.40	36.09
1981-82	2758.00	37.34	1615.00	73.31	5629.00	31.65	1330.00	10.56	2982.00	19.67	1216.00	22.69
1986-87	6305.00	17.98	2235.00	6.71	15016.00	21.68	2266.00	11.25	5679.00	13.75	1670.00	6.55
1990-91	13878.00	21.80	1718.00	-6.37	28880.00	17.76	5259.00	23.43	12144.00	20.93	8414.00	49.82

Sources :
RBI Bulletin—March 1967 and July 1969
March 1980
Flow of funds January 1992 and June 1993
Flow of funds of data in Appendix

Table 2.10 Financing of the corporate sector investment—SavingsGAP {%} Percentage of corporate sectors sources of funds			
Period	HH	Banking	OFI
1951–52	47.52	40.60	10.80
1956–57	26.23	48.10	16.80
1961–62	34.27	39.16	15.50
1966–67	22.30	45.70	22.60
1971–72	30.19	39.40	15.40
1976–77	12.98	50.70	22.90
1981–82	30.87	41.10	20.30
1986–87	33.65	34.10	25.10
1990–91	8.47	39.60	41.40

Financing of corporate investment—savingsGAP {%} (Instruments)				
Period	Paid Up Capital	Debentures	Borrowing	Deposit (HH)
1951–52	35.00	5.60	50.00	1.50
1956–57	15.00	–0.76	72.00	1.70
1961–62	28.00	3.50	61.00	1.70
1966–67	8.00	2.80	80.00	3.00
1971–72	10.00	3.60	68.00	1.30
1976–77	42.00	–1.50	14.00	19.00
1981–82	6.00	3.10	46.00	8.00
1986–87	4.00	16.90	49.00	8.00
1990–91	6.00	12.50	69.00	3.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds: January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.10 highlights the financing of corporate investment saving gap by HH, Banking and OFI. It is clear that OFI financing of the I-S gap has been steadily increasing over the years signifying the role of non-bank financial intermediaries and mutual funds. The Banking sector has been contributing to the financing in a stable manner and its contribution has ranged around 40%. Referring to table 2.10, The preceding observations are confirmed by the fact that PCBs has largely relied on borrowing as an instruments of mobilizing funds.

The Government sector had also been a deficit sector and it also relies on external sources of finances. Referring to table no 2.11, it can be seen that the banking sector has been contributing to the extent of 40 to 60% to Government's I-S gap. OFI has been contributing around 15 to 25%, ROW contributed around 45% upto 1967 then its share has declined. Household sector had financed Government's I-S gap to the extent of around 22% by investing in Government securities, Small Savings and Other Government Liabilities. The Government had obtained funds to the extent of around 35% by floating long-term Government Securities. The borrowing has also remained at a high level. In the recent time period, the treasury bills and small savings have emerged important sources of external financing for the Government sector. Their share has been around 25 percent after 1986-87.

Financial Growth Pattern

More important than pace at which the financial structure had grown is its changing composition. Between 1953-54 and 1990-91, the total issues of the financial sector had increased at compound annual growth rate of 18.7 percent; issues of Banking sector over the same period showed a growth rate of 21.6% and that of OFI showed growth rate of 16.6% on the other hand, during 1951-91 issues of non-financial sector had increased at 18.3%, PCBs showed growth rate of 13.7% and that of Government and household sector showed growth rate of 17% and 14.8% respectively. Besides, the total financial issues have recorded a compound growth rate of 21.1% during the same period. Banking sector's share in issues of financial sector has remained stable around 60 to 70% and that of OFI around 30 to 40%; similarly, Banking sector's share in total issues, i.e. (issues of financial sector + issues of non-financial sector) has stayed around 25 to 32% and that of OFI in total issues has been around 10 to 15%. In issues of non-financial sector, the Government has been a major contributor and its share after 60s remained around 60 to 70%; that of PCBs 20 to 30% where as that of household sector around 15 to 20%.

Table 2.11

[illegible]

Period	GOVT.													
	SECURITIES OTHER THAN TREASURY BILLS	BORRO- WING	TREASURY Bills	SMALL SAVINGS	ONE RUPEE AND COINS	PAID UP CAPITAL	TOTAL	SECURITIES OTHER THAN TREASURY BILLS	BORRO- WING	TREASURY Bills	SMALL SAVINGS	ONE RUPEE AND COINS	PAID UP CAPITAL	
1951-52	-0.20	61.30	-13.50	37.50	3.40	0.30	88.80	-0.23%	69.03%	-15.20%	42.23%	3.83%	0.34%	100.00%
1956-57	325.70	22.20	206.80	62.00	13.70	-0.90	629.50	51.74%	3.53%	32.85%	9.85%	2.18%	-0.14%	100.00%
1961-62	264.40	291.90	83.70	85.00	13.30		738.30	35.81%	39.54%	11.34%	11.51%	1.80%	0.00%	100.00%
1966-67	617.80	748.80	372.20	144.20	6.50		1889.50	32.70%	39.63%	19.70%	7.63%	0.34%	0.00%	100.00%
1971-72	801.90	799.50	303.40	200.40	11.00		2116.20	37.89%	37.78%	14.34%	9.47%	0.52%	0.00%	100.00%
1976-77	1147.80	2081.80	-382.70	396.80	21.70	-2.90	3262.50	35.18%	63.81%	-11.73%	12.16%	0.67%	-0.09%	100.00%
1981-82	3281.00	3181.00	1247.00	1399.00	19.00	8.00	9135.00	35.92%	34.82%	13.65%	15.31%	0.21%	0.09%	100.00%
1986-87	6754.00	3991.00	5796.00	4753.00	201.00	16.00	21511.00	31.40%	18.55%	26.94%	22.10%	0.93%	0.07%	100.00%
1991-92	10805.00	14046.00	6269.00	5654.00	123.00	886.00	37783.00	28.60%	37.18%	16.59%	14.96%	0.33%	2.34%	100.00%

Sources:

RBI Bulletin - March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.12 Instrumentwise lending Banking Sector (Rs. In Crores).			
Period	Currency Deposit	Banking Investment	Loans & Advanced
1951-52	14.60	1.60	57.70
1956-57	19.10	267.00	193.00
1961-62	-4.00	219.40	212.00
1966-67	-13.00	466.60	313.40
1971-72	-13.50	950.00	1177.60
1976-77	7.00	2395.30	3097.40
1981-82	-6.00	3282.00	6742.00
1986-87	15.00	16199.00	9234.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.13 Instrumentwise lending of Household Sector (Rs. In Crores).						
Period	Currency Deposit	Investment	Household Loans & Advanced	Small Savings	LIC	PF
1951-52	-142.80	104.50	9.30	35.40	15.40	34.10
1956-57	151.50	106.70	6.40	55.50	25.00	93.00
1961-62	249.60	40.40	60.60	65.70	69.10	150.80
1966-67	563.70	-22.10	78.10	122.30	141.60	209.60
1971-72	1427.90	-88.40	104.40	105.60	251.20	513.10
1976-77	4317.00	165.80	318.60	139.90	524.20	1171.10
1981-82	7063.00	1452.00	-	823.00	1049.00	2488.00
1986-87	17851.00	2121.00	-	3516.00	2116.00	5172.00
1990-91	25520.00	7691.00	-	7811.00	5591.00	11058.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.14 Instrumentwise lending of OFI (Rs. In Crores).			
Period	Currency Deposit	OFI Loans & Advanced	Investment
1951-52	4.00	10.10	29.20
1956-57	1.40	6.60	100.50
1961-62	6.20	37.40	148.50
1966-67	21.90	176.60	218.80
1971-72	49.00	223.10	469.80
1976-77	212.00	999.90	1064.20
1981-82	905.00	2347.00	2289.00
1986-87	2832.00	5374.00	4812.00
1990-91	7034.00	16831.00	11473.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix



Table 2.15				
Government				
Period	Rs. In Crores	% Compound Growth Rate	Rs. In Crores	% Compound Growth Rate
1951-52	133.20		—	
1956-57	455.40	27.87	-27.40	ERR
1961-62	715.30	9.45	0.70	ERR
1966-67	1522.20	16.30	26.05	106.13
1971-72	2186.50	7.51	115.30	34.65
1976-77	4633.80	16.21	182.70	9.64
1981-82	12091.00	21.14	865.00	36.48
1986-87	31704.00	21.26	431.00	-13.01
1990-91	62327.00	14.48	3215.00	49.47

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.16 Instrumentwise Borrowing of Government Sector (Rs. In Crores).					
Period	Government Securities Other than Treasury Bills	Borrowing	Treasury Bills	Small Savings	One Rupee Notes & Coins
1951-52	-0.20	61.30	-13.50	37.50	3.40
1956-57	325.70	22.20	206.80	62.00	13.70
1961-62	264.40	291.90	83.70	85.00	13.30
1966-67	617.80	748.80	372.20	144.00	6.50
1971-72	801.90	799.50	303.40	200.00	11.00
1976-77	1147.80	2081.80	-382.70	369.80	21.70
1981-82	3281.00	3181.00	1247.00	1399.00	19.00
1986-87	6754.00	3991.00	5796.00	4753.00	201.00
1990-91	10524.00	12338.00	11406.00	8309.00	123.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.17				
Instrument wise Borrowing of Private corporate Business Sector (Rs. In Crores).				
Period	Paidup Capital	Debenturies	Borrowing	Deposits (HH)
1951-52	46.60	7.50	67.70	2.10
1956-57	34.20	-1.70	162.20	4.00
1961-62	92.10	11.50	198.30	5.60
1966-67	44.10	14.10	401.10	15.50
1971-72	49.00	17.00	314.70	5.90
1976-77	194.90	-7.20	68.20	92.00
1981-82	479.00	236.00	3534.00	600.00
1986-87	408.00	1676.00	4895.00	754.00
1990-91	1413.00	2785.00	15403.00	643.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

Table 2.18 Issues of Financial Sector					
Period	Banking	OFI	Issues of Financial Sector (IFS)	Banking/IFS	OFI/IFS
1951-52	-95.50	41.40	-54.10	1.77	-0.77
1952-53	-75.70	54.40	-21.30	3.55	-2.55
1953-54	28.70	90.50	119.20	0.24	0.76
1954-55	175.10	97.80	272.90	0.64	0.36
1955-56	335.20	107.80	443.00	0.76	0.24
1956-57	267.70	103.60	371.30	0.72	0.28
1957-58	339.90	119.50	459.40	0.74	0.26
1958-59	373.50	135.90	509.40	0.73	0.27
1959-60	462.90	137.90	600.80	0.77	0.23
1960-61	102.90	174.90	277.80	0.37	0.63
1961-62	433.10	158.90	592.00	0.73	0.27
1962-63	414.90	208.30	623.20	0.67	0.33
1963-64	569.90	238.20	808.10	0.71	0.29
1964-65	545.10	339.00	884.10	0.62	0.38
1965-66	822.40	289.40	1111.80	0.74	0.26
1966-67	744.00	413.80	1157.80	0.64	0.36
1967-68	793.50	371.70	1165.20	0.68	0.32
1968-69	978.80	436.00	1414.80	0.69	0.31
1969-70	1049.80	468.00	1517.80	0.69	0.31
1970-71	1569.20	582.75	2151.95	0.73	0.27
1971-72	1523.60	650.00	2173.60	0.70	0.30
1972-73	2348.05	839.40	3187.45	0.74	0.26
1973-74	2921.05	941.30	3862.35	0.76	0.24
1974-75	2662.00	1066.60	3728.60	0.71	0.29
1975-76	4364.85	1484.40	5849.25	0.75	0.25
1976-77	5720.00	2220.70	7940.70	0.72	0.28
1977-78	8263.80	2426.20	10690.00	0.77	0.23
1978-79	4794.20	3151.00	7945.20	0.60	0.40
1979-80	8052.30	3600.10	11652.40	0.69	0.31
1980-81	9869.00	3548.80	13417.80	0.74	0.26
1981-82	7755.00	5238.00	12993.00	0.60	0.40
1982-83	17708.00	5470.00	23178.00	0.76	0.24
1983-84	11811.00	6704.00	18515.00	0.64	0.36
1984-85	17717.00	6839.00	24556.00	0.72	0.28
1985-86	17131.00	8848.00	25979.00	0.66	0.34
1986-87	21776.00	11530.00	33306.00	0.65	0.35
1987-88	22145.00	13636.00	35781.00	0.62	0.38
1988-89	4793.00	20136.00	24929.00	0.19	0.81
1989-90	37844.00	24763.00	62607.00	0.60	0.40
1990-91	40734.00	27776.00	68510.00	0.59	0.41

Sources :

RBI Bulletin—March 1967 and July 1969

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Table 2.19
Issues of Non-Financial Sectors

Period	PBCS	Govt.	R.O.W.	HH	Issues of Non-Financial Sector (INFS)	PBC/INFS	Govt./INFS	R.O.W./INFS	HH/INFS
1951-52	13320	13320	-172.90	58.30	151.80	0.88	0.88	-1.14	0.38
1952-53	47.00	94.60	10.60	-4.80	147.40	0.32	0.64	0.07	-0.03
1953-54	44.30	135.10	8.20	64.20	251.80	0.18	0.54	0.03	0.25
1954-55	46.50	295.20	-35.30	51.10	357.50	0.13	0.83	-0.10	0.14
1955-56	22.90	313.70	10.90	134.80	482.30	0.05	0.65	0.02	0.28
1956-57	223.80	455.40	-228.40	84.90	535.70	0.42	0.85	-0.43	0.16
1957-58	237.40	697.40	-256.40	42.10	720.50	0.33	0.97	-0.36	0.06
1958-59	93.70	738.70	-84.00	80.00	828.40	0.11	0.89	-0.10	0.10
1959-60	146.00	761.50	80.90	112.70	1101.10	0.13	0.69	0.07	0.10
1960-61	232.60	707.80	-54.40	308.70	1194.70	0.19	0.59	-0.05	0.26
1961-62	316.90	715.30	-10.10	133.50	1155.60	0.27	0.62	-0.01	0.12
1962-63	283.90	906.60	4.00	229.00	1423.50	0.20	0.64	0.00	0.16
1963-64	419.90	1022.10	20.80	267.70	1730.50	0.24	0.59	0.01	0.15
1964-65	341.50	1150.30	-55.80	236.90	1672.90	0.20	0.69	-0.03	0.14
1965-66	372.40	1651.90	114.90	246.30	2385.50	0.16	0.69	0.05	0.10
1966-67	482.60	1522.20	7.35	364.40	2376.55	0.20	0.64	0.00	0.15
1967-68	418.10	1578.50	60.60	302.60	2359.80	0.18	0.67	0.03	0.13
1968-69	330.60	1415.15	-8.25	521.00	2258.50	0.15	0.63	-0.00	0.23
1969-70	624.40	1137.00	156.60	701.30	2619.30	0.24	0.43	0.06	0.27
1970-71	444.40	2110.10	60.20	597.30	3212.00	0.14	0.66	0.02	0.19
1971-72	605.80	2186.50	44.40	561.80	3398.50	0.18	0.64	0.01	0.17
1972-73	641.30	2689.30	1.80	752.00	4084.40	0.16	0.66	0.00	0.18
1973-74	1112.40	1269.20	126.30	889.60	3397.50	0.33	0.37	-0.04	0.26
1974-75	1402.90	3339.80	171.20	773.00	5686.90	0.25	0.59	0.03	0.14
1975-76	910.20	4921.10	991.20	1178.20	8000.70	0.11	0.62	0.12	0.15
1976-77	796.00	4633.80	1441.00	1940.00	8810.80	0.09	0.53	0.16	0.22
1977-78	1656.90	7106.90	1835.40	1640.00	12239.20	0.14	0.58	0.15	0.13
1978-79	2098.90	3866.50	1255.00	1640.60	8861.00	0.24	0.44	0.14	0.19
1979-80	2159.30	8837.90	459.60	2948.90	14405.70	0.15	0.61	0.03	0.20
1980-81	2306.00	17568.30	43.90	3829.30	23747.50	0.10	0.74	0.00	0.16
1981-82	5231.00	12091.00	-1409.00	2798.10	18711.10	0.28	0.65	-0.08	0.15
1982-83	5334.00	18248.00	987.00	4004.00	28573.00	0.19	0.64	0.03	0.14
1983-84	3950.00	12222.00	270.00	3533.00	19975.00	0.20	0.61	0.01	0.18
1984-85	5072.00	22528.00	272.00	5434.00	33306.00	0.15	0.68	0.01	0.16
1985-86	7274.00	23790.00	1692.00	5719.00	38475.00	0.19	0.62	0.04	0.15
1986-87	6642.00	31704.00	-768.00	6982.00	44560.00	0.15	0.71	-0.02	0.16
1987-88	7537.00	31926.00	-1234.00	6726.00	44955.00	0.17	0.71	-0.03	0.15
1988-89	16440.00	41622.00	-1464.00	9286.00	65884.00	0.25	0.63	-0.02	0.14
1989-90	27215.00	58562.00	-737.00	12700.00	97740.00	0.28	0.60	-0.01	0.13
1990-91	20292.00	62327.00	11341.00	12840.00	106800.00	0.19	0.58	0.11	0.12

Sources:

RBI Bulletin - March 1967 and July 1969

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Table 2.20
Issues of Financial and Non-Financial Sectors

Period	Change in Total Issues	Banking /TI	OFI/TI	IFS/TI	PCB/TI	Govt. /TI	R.O.W. /TI	III/TI	INFS/TI	FI/NFI	Total Issues (TI)
1951-52		-0.98	0.42	-0.55	1.36	1.36	-1.77	0.60	1.55	-0.36	97.70
1952-53	28.40	-0.60	0.43	-0.17	0.37	0.75	0.08	-0.04	1.17	-0.14	126.10
1953-54	244.90	0.08	0.24	0.32	0.12	0.36	0.02	0.17	0.68	0.47	371.00
1954-55	259.40	0.28	0.16	0.43	0.07	0.47	-0.06	0.08	0.57	0.76	630.40
1955-56	294.90	0.36	0.12	0.48	0.02	0.34	0.01	0.15	0.52	0.92	925.30
1956-57	-18.30	0.30	0.11	0.41	0.25	0.50	-0.25	0.09	0.59	0.69	907.00
1957-58	272.90	0.29	0.10	0.39	0.20	0.59	-0.22	0.04	0.61	0.64	1179.90
1958-59	157.90	0.28	0.10	0.38	0.07	0.55	-0.06	0.06	0.62	0.61	1337.80
1959-60	364.10	0.27	0.08	0.35	0.09	0.45	0.05	0.07	0.65	0.55	1701.90
1960-61	-229.40	0.07	0.12	0.19	0.16	0.48	-0.04	0.21	0.81	0.23	1472.50
1961-62	275.10	0.25	0.09	0.34	0.18	0.41	-0.01	0.08	0.66	0.51	1747.60
1962-63	299.10	0.20	0.10	0.30	0.14	0.44	0.00	0.11	0.70	0.44	2046.70
1963-64	491.90	0.22	0.09	0.32	0.17	0.40	0.01	0.11	0.68	0.47	2538.60
1964-65	18.40	0.21	0.13	0.35	0.13	0.45	-0.02	0.09	0.65	0.53	2557.00
1965-66	940.30	0.24	0.08	0.32	0.11	0.47	0.03	0.07	0.68	0.47	3497.30
1966-67	37.05	0.21	0.12	0.33	0.14	0.43	0.00	0.10	0.67	0.49	3534.35
1967-68	-9.35	0.23	0.11	0.33	0.12	0.45	0.02	0.09	0.67	0.49	3525.00
1968-69	148.30	0.27	0.12	0.39	0.09	0.39	-0.00	0.14	0.61	0.63	3673.30
1969-70	463.80	0.25	0.11	0.37	0.15	0.27	0.04	0.17	0.63	0.58	4137.10
1970-71	1226.85	0.29	0.11	0.40	0.08	0.39	0.01	0.11	0.60	0.67	5363.95
1971-72	208.15	0.27	0.12	0.39	0.11	0.39	0.01	0.10	0.61	0.64	5572.10
1972-73	1699.75	0.32	0.12	0.44	0.09	0.37	0.00	0.10	0.56	0.78	7271.85
1973-74	-12.00	0.40	0.13	0.53	0.15	0.17	0.02	0.12	0.47	1.14	7259.85
1974-75	2155.65	0.28	0.11	0.40	0.15	0.35	0.02	0.08	0.60	0.66	9415.50
1975-76	4434.45	0.32	0.11	0.42	0.07	0.36	0.07	0.09	0.58	0.73	13849.95
1976-77	2901.55	0.34	0.13	0.47	0.05	0.28	0.09	0.12	0.53	0.90	16751.50
1977-78	6177.70	0.36	0.11	0.47	0.07	0.31	0.08	0.07	0.53	0.87	22929.20
1978-79	-6123.00	0.29	0.19	0.47	0.12	0.23	0.07	0.10	0.53	0.90	16806.20
1979-80	9251.90	0.31	0.14	0.45	0.08	0.34	0.02	0.11	0.55	0.81	26058.10
1980-81	11107.20	0.27	0.10	0.36	0.06	0.47	0.00	0.10	0.64	0.57	37165.30
1981-82	-5461.20	0.24	0.17	0.41	0.16	0.38	-0.04	0.09	0.59	0.69	31704.10
1982-83	20046.90	0.34	0.11	0.45	0.10	0.35	0.02	0.08	0.55	0.81	51751.00
1983-84	-13261.00	0.31	0.17	0.48	0.10	0.32	0.01	0.09	0.52	0.93	38490.00
1984-85	19372.00	0.31	0.12	0.42	0.09	0.39	0.00	0.09	0.58	0.74	57862.00
1985-86	6592.00	0.27	0.14	0.40	0.11	0.37	0.03	0.09	0.60	0.68	64454.00
1986-87	13412.00	0.28	0.15	0.43	0.09	0.41	-0.01	0.09	0.57	0.75	77866.00
1987-88	2870.00	0.27	0.17	0.44	0.09	0.40	-0.02	0.08	0.56	0.80	80736.00
1988-89	10077.00	0.05	0.22	0.27	0.18	0.46	-0.02	0.10	0.73	0.38	90813.00
1989-90	69534.00	0.24	0.15	0.39	0.17	0.37	-0.00	0.08	0.61	0.64	160347.00
1990-91	14963.00	0.23	0.16	0.39	0.12	0.36	0.06	0.07	0.61	0.64	175310.00

Sources :

RBI Bulletin—March 1967 and July 1969

March 1980

Flow of funds January 1992 and June 1993

Flow of funds of data in Appendix

2.5 THE POSITION AND PROSPECTS OF CAPITAL MARKET IN INDIA

The Indian economy has witnessed a significant financial transformation in the last few years. New Financial Institutions are being spawned, new Financial Instruments are being devised and new financial markets are being developed. Several changes which have brought about a broadening and deepening of the financial system in India may be enumerated as under :

1. Fiscal policy has allowed increasingly liberal tax concessions on investment in, and returns from, specified financial assets. for example, the monetary ceilings to qualify for income-tax exemption have been raised in respect of income from certain assets (e.g., units of the UTI, investment in equity shares of new industrial undertakings). 6 year National Savings Certificates, particularly Series VI have become very popular because they qualify for tax concessions. Increasing popularity and attractiveness of this VI Series is evident from the 157 per cent increase in its outstanding within a period of three years from Rs. 5,155 crores at end-March 1985 to Rs. 13,224 crores at end-March 1988.
2. The Life Insurance Corporation of India (LIC) has introduced many innovative schemes carrying liberal tax concessions such as, Jeevan dhara and Jeevan Akshay.
3. Public sector undertakings have been permitted to accept deposits from the public and a selected few have been allowed to raise funds through issue of bonds carrying 14 per cent (taxable) or 10 per cent (non-taxable) interest. The receipts from the PSU bonds aggregated Rs. 1,978 crores during 1986-87 and Rs. 1,823.5 crores in 1987-88 as compared to Rs. 354 crores in 1985-86.
4. In recent years, capital raised by companies in the private sector through issues of shares and debentures have shown a sudden spurt after remaining almost stagnant at around Rs. 100 crores a year during the 1960s and up to the late 1970s. During the five years, i.e., 1983-84 through 1987-88, the amount of capital raised by non-government public and private companies averaged as high as Rs. 1,000 crores per year.
5. Several new Financial Institutions have emerged and new ones are still emerging :

- (a) Until recently, the Unit Trust of India was the only mutual fund designated to mobilize savings of a growing number of small financial investors and channeling them into the private corporate sector. Now, similar mutual funds have been established by State Bank of India and Canara Bank. Contractual saving institutions like the LIC and GIC have also come forward to establish a mutual fund. A few other commercial banks have proposed to set up mutual funds through jointly-sponsored subsidiaries.
 - (b) The banking industry has started participating in the development of the capital market also through their merchant banking subsidiaries or through their merchant banking divisions; several such proposals have already been approved.
 - (c) The RBI has set up the Discount and Finance House of India (DFHI) jointly with public sector banks and Financial Institutions to deal in short-term money market instruments with the primary object of imparting liquidity to these instruments.
 - (d) The Government of India has recently set up the Securities and Exchange Board of India (SEBI) to deal with matters relating to development and regulation of securities market and investors' protection.
6. Several new Financial Instruments have been introduced and many others are in offing:
- (a) In order to develop treasury bills as a monetary instrument with flexible rates and to impart greater flexibility to banks in their funds management, a scheme of auctions of 182 days Treasury Bills has been introduced.
 - (b) A large number of small savings instruments such as, Indira Vikas Patra (IVP), Kisan Vikas Patra (KVP), special National Savings Scheme (NSS) and 9% Relief Bonds have been introduced particularly with a view to mobilising rural savings. After launching, the IVP scheme at the end of February 1988 were placed at Rs.1,724 crores.
 - (c) Amongst debt instruments, inter bank participation certificates (PCs) have been introduced and there is a move to introduce Commercial Paper (CP).

i) Issues in financial liberalization :

The motivation for going in for a programme of financial liberalization varies from country to country. Liberalization measures are aimed both at the external and domestic sectors. While external liberalization largely involves easing of restrictions on capital flows and assigning greater flexibility to the exchange rate, domestic financial liberalization mainly relates to the deregulation of interest rates and dismantling of allocated credit. The financial liberalization programme may also aim at reforming the domestic banking system and tackling its poor asset quality; improving the functioning of the capital market including the government securities market and in general enhancing competition in the financial system.

While liberalization essentially involves dismantling the barriers to entry and exit and the lifting of controls, it does not automatically imply no regulation at all. In fact regulation assumes its own level of sophistication in terms of letting the system operate without unnecessarily restraining it, while at the same time, protecting the financial system from its own excesses. In the banking sector for instance, while liberalization can bring about a removal of barriers to the entry of new banks and credit restrictions, it is accompanied by a more stringent set of prudential, supervisory and regulatory structure. Similarly, in the area of capital market, while liberalization could mean the opening up of markets to new products and new participants, regulation is put in place to protect investor's interests and to prevent excessive speculation.

We may allude here to the policy debate which has emerged in recent times regarding the process of liberalization in developing countries. An investigation of the interaction between structural reforms and macro economic stabilization programme has led to an argument as to whether liberalization should be undertaken before, simultaneously or after stabilization has been attained. In other words, should a country 'liberalize first', or 'stabilize first'. The supporters of the stabilization first sequence argue that countries with high fiscal deficits must set right first the relationship between inflation related price variability and resource allocation. Those who argue for simultaneous liberalization, say that the costs of restrictions in trade, industry and financial sector are too high to justify the postponement of liberalization and that liberalization may itself be necessary for stabilization.

It must however be kept in mind that the sequencing question depends considerably on the magnitude of the macro economic disequilibrium and other forms of distortions. In

other words, the sequencing will be different in countries which have low or medium rates of inflation versus those countries who are experiencing high to very high rates of inflation. Liberalization in the latter group of countries becomes a risky proposition. The cost associated with a stabilization programme will also depend directly on the magnitude of the macro economic disequilibrium. Most Asian countries which traditionally have low or medium level of inflation have experienced modest trade offs between stabilization and liberalization programmes. Under these circumstances therefore, as long as the real exchange rate misalignment is avoided, these countries have proceeded with the 'liberalization first' approach. Experience of some countries in fact has shown that several measures of economic liberalization had itself helped in bringing down inflation. In the case of India, the strategy has been to embark on the stabilization and the liberalization programme simultaneously.

(ii) Financial sector reform in India :

Objective and Goals

The reform objective in our country is largely to promote a diversified, efficient and a competitive financial system. It aims at raising the allocative efficiency of available savings, increasing the return on investments and promoting the accelerated growth and development of the real sector. Specific goals of the programme include :

- (i) to correct and improve the macro-economic policy setting within which banks operate. This involves monetary control reforms, including rationalisation of interest rates, redesigning direct credit programmes and bringing down the levels of resource pre-emptions;
- (ii) to improve the financial health and condition of banks, by recapitalising banks, reconstructing the weaker ones and improving the incentives under which banks function;
- (iii) to build financial institutions and infrastructure relating to supervision, audit, technology and legal framework;
- (iv) to improve the level of managerial competence and the quality of human resources by reviewing the policies relating to recruitment, training, placement etc..;
- (v) to improve access to financial savings;

- (vi) to reduce intermediation costs and distortions in the banking system;
- (vii) to promote competition through a level playing field and freer entry and exit in the financial sectors;
- (viii) to develop transparent and efficient capital and money markets.

The reforms are aimed at having an impact over a wide cross-section of the economy. With improvements and greater efficiency in mobilising and allocating resources the basis will become stronger for promoting economic growth and development. The reforms aim at increasing efficiency of the financial sector and the range of financial services available within the economy. The introduction of bank capital adequacy and accounting standards, together with improvement in the regulation and supervision of financial institutions and capital markets are aimed at instilling greater public confidence, ensuring safety and soundness of the financial system, bringing about greater transparency and accountability in operations and encouraging overall increased resources mobilization within the economy.

There are certain 'commandments' for systemic reforms of the financial sector. Most importantly, macro-economic control is a must during the reform process. Fiscal and external policies must support monetary policy in maintaining the overall macro-economic balance. During the reform period, prudential regulation must be introduced and adhered to in order to help safeguard against a financial crisis and prevent the undermining of monetary control and macro-economic adjustment. The government must simultaneously implement wide-ranging reforms in other sectors, specially those which require support from the financial system. The adjustment and reorientation required by many business undertakings both in the public and private sectors in response to widespread reforms could be difficult and will require careful planning.

(iii) Issues relating to the components of reform

In the context of India, considerable discussion has taken place regarding some of the components of the reform programme. Some of them are discussed below :

Prudential norms and regulations

Underlying the reform process has been the prescription of prudential norms and regulations. They have been introduced to ensure the safety and soundness of the financial system, bring about greater transparency and accountability in operations and restoring the

credibility of and confidence in the Indian financial system. Most significantly, however, prudential norms and ratios are aimed at-

- (a) bringing out the true position of a bank's loan portfolio; and
- (b) help arrest its deterioration. These ratios are designed to classify credit according to risk, define delinquent loans and to provide against them.

In terms of the prudential accounting standards relating to income recognition, asset classification and provisioning, income from non performing assets (NPAs) cannot be taken to profit and loss accounts of banks unless the income has been realised. Similarly, based on the status of an asset as NPA, it is required to be classified as standard, sub-standard and doubtful asset and appropriate provisions made. The objective of this exercise is to ensure a uniform, consistent and logical basis for reflecting the true financial position of banks.

Capital standards for banks in India

The capital ratios of Indian banks are generally low and some banks are seriously undercapitalised, when compared to their counterparts elsewhere in the world. Taking into account the approach of the Basle Committee, it was decided that a new uniform prescription for capital adequacy should be introduced. The risk weighted approach to capital adequacy measurement is more equitable as it requires those institutions with a high risk profile to maintain a higher level of capital fund. In the long run, such an approach, incorporating both on-balancesheet and off-balance sheet exposures of a bank into its capital ratio according to the level of perceived risk, would encourage the banks to be more risk-sensitive and structure their balance sheets in a more prudent manner.

In the context of the new norms that have been introduced with respect to provisioning and capital adequacy, a question has been raised whether such norms are necessary in the Indian context and whether we are blindly following certain international standards. This criticism is totally misconceived. The basic purpose behind prudential norms and capital adequacy requirements is not only to make the balancesheets of banks and financial institutions reflect the true financial health but also to compel them to pay increased attention to the quality of loan assets. There is no doubt that the introduction of the new norms has already had an impact. Banks have become more careful in their credit assessment. The bottom-line of profitability consistent with liquidity and other requirements is having its desired effects. It is also equally important that since Indian banks and financial institutions

are judged by the markets outside, they are financially sound and prudent according to internationally accepted standards. This is extremely important when the external sector of the Indian economy is growing.

Emerging Financial System

In the years to come, there is no doubt that the Indian financial system will grow in size and complexity. Different segments of the market will become closely linked and it will become difficult to influence or act on only one segment without affecting the others. The major link connecting the various segments will be the interest rate as is the case in many of the industrially advanced countries now. In order to influence the entire system, the monetary authorities will have to act on interest rates. There will be increasing specialization; simultaneously, there can emerge financial products and services. The existence of healthy and sound financial institutions should be able to put pressure on investors and other borrowers, to use resources in an efficient and productive manner in order to repay the existing obligations and qualify for new finances.

Commercial Banks

What evolution can one expect for the commercial banking sector? The trends that have shaped commercial banking worldwide will probably come into play in India as well-

- * greater specialization by banks in different niches of the market (corporate/industrial, retail, agriculture, housing etc.);
- * greater reliance by blue chip customers on direct, securitised access to debt (disintermediation);
- * greater overlap in product coverage between commercial banks and non-bank intermediaries (heightening the importance of non-discriminatory regulation);
- * greater reliance on non-fund business (trading advisory services, guarantee and custody services, sale of equity and insurance products).

Banks will begin to function increasingly under competitive pressures. These pressures may emanate from within the banking system as well as from non-banking institutions. With the increasing participation of private shareholders even in public sector banks, there will be greater accountability to shareholders, including the Government. Competitive pressures can also result in some degree of consolidation.

The predominance of the public sector banks will be challenged; they will, however, be able to derive the maximum competitive advantage from their extensive branch network,

both in the mobilization of funds and in the design and sale of suitable financial products for some segment of the urban markets as well as rural and semi-urban clients. In the new economic environment, fresh opportunity will emerge for lending in non-traditional areas, where the more geographically diversified public sector banks would be well-placed to serve.

The structure of the Indian financial system, particularly relating to banking, could be well posed with the challenge of redefining its attributes. A choice will have to be made between the appropriateness of the 'commercial banking model' similar to that in the USA, the UK and Canada vs. The 'universal banking model' as is prevalent in Germany, Austria and Switzerland.

We will have to move to a situation where banks have enough latitude to extend and widen their activities. Banks do set up subsidiaries primarily with a view to undertake specific activities. Banks do undertake activities like leasing and factoring departmentally. At one time, some of the banks also had significant business relating to executor and trustee business which over the years has got considerably reduced. Possibly, this is an area where banks may move in a greater way in the future. One can envisage, the holding company concept emerging, where a holding or a parent company has a number of institutions providing services to various segments of the financial system. This will, of course, create problems of cross holdings, related lending, conflict of interest, etc. but it should be possible to put in place appropriate systems of supervision over such conglomerates. These developments will have a positive impact upon the local institutions which will emerge stronger in filling up credit and financial services gap; the advantages of the local institution being among others, local feel and client loyalty. Urban co-operative banks are good examples of such institutions.

An area that will require considerable rethinking relates to rural credit. Even though the share of institutional finance in the provision of rural credit has considerably increased since the fifties, the flow is neither smooth nor adequate. We have experimented with several new types of institutions in this context. Agriculture and allied activities constitute a major contribution to national income. Its role in employment generation is even greater. We need to pay sustained attention to revamping the rural credit system. While some element of concessionality may be needed and desirable, the emphasis should be on timely and adequate credit.

Financial products

The Eighties have seen a tremendous growth in financial innovation in the industrially advanced countries. This has resulted in a menagerie of financial products. A new term 'financial engineering' has come into existence. Many of the new products have been a response to the high degree of volatility witnessed with respect to both interest and exchange rates. Derivative financial products have become popular and these aim at reducing financial risk and volatility. Unlike the more conventional financial products, these new products derive their value from some underlying transactions and asset. In the foreign exchange market, they have taken the form of futures, forwards swaps and options. There is currently a growing concern particularly among the regulators and supervisors about the risk attached to such derivative products. There are stories of firms buying and selling products unaware of the risk and suddenly finding that they have lost huge sums. The regulators in these countries have in the recent period, focused attention on appropriate regulatory measures relating to such products.

The Indian financial system has seen the introduction of several new products in the Eighties. Convertible bonds have become popular in capital markets. Commercial paper and certificates of deposits have started circulating in money markets. These are however standard products. Many of the products which are currently in vogue in industrially advanced countries may take time to make their appearance in the Indian financial market. We have to achieve a higher degree of interest rate deregulation and freer international capital mobility before such products make their appearance. As and when such instruments are introduced, banks and other institutions will have to acquire the necessary expertise for risk control and risk management. However, there are innovations such as Note Issuance Facility and Securitisation of assets, which may assume importance even over the immediate term. Securitisation means conversion of illiquid assets to marketable securities. For this purpose, the underlying assets should have homogeneity in character and be capable of being securitised. A good example in this regard pertains to housing loans.

The Government securities market will slowly emerge as a vibrant segment of the Indian capital market. This is already becoming possible as the rates on Government securities are getting closer to market perceptions. The setting up of the Securities Trading Corporation of India (STCI) will also help to provide additional liquidity in the secondary market. It is also possible that other similar institutions may come into existence.

Organizationally, Government securities market will also undergo certain changes with the introduction of primary dealers. With a well functioning secondary market in Government securities, use of open market operations, as an instrument of monetary control, will also come into its own.

Institutional reform

Regulation and Supervision

In general, the financial institutions are regulated mostly because of important public policy considerations. Regulation arises from four fundamental public policy concerns-(i) depositor, consumer and investor protection; (ii) structure and competitive character of the market, (iii) safety and soundness; and (iv) systemic stability. The challenge is to evolve a regulatory mechanism which will achieve all the four objectives without imposing too much burden on the system. In fact, the trend observed across the world has been that banks move away from the traditional banking functions by virtue of these activities which serve as alternative provisions of similar services but are not subject to the same set of regulatory requirements. With the growth and diversification of the financial system, the issue of appropriate level of regulation of all financial institutions will become an important one.

Another area which will become important relates to regulatory harmonisation among various regulators, both domestic and international, of the financial markets, including capital markets. Regulators will have to increase efforts towards converging their policies and procedures and have a greater element of information share.

What will be the proper role of financial supervision in a system which is rapidly emerging as a market-based one ? The current supervisory approach emphasizes follow up and compliance by the financial intermediaries with banking policy and credit allocative directives and foreign exchange regulations. In the changing circumstances, bank supervisors will have to also focus on issues which ensure the safety and soundness of the system, depositor protection and reduction of systemic risk. These are also issues which will have important monetary policy implications. Ensuring the compliance with prudential norms will be a major task. The supervisory system has a two fold task : it must be responsive to changes that are occurring in the financial markets and simultaneously it must instill confidence in the integrity and soundness of the markets and the participants in the market.

As more and more foreign entities become participants in the domestic financial system, a need will arise for domestic supervisors to work in close concert with international regulators and supervisors. What will be required is considerable degree of supervisory coordination and communication among all supervisors, domestic as well international.

Payment System

As the Indian financial system develops and also gets integrated more and more with the international financial markets, a massive growth of large value funds transfer, both at the national and international level, will take place. We have to be technologically ready to meet the situation. A network of payments system will therefore have to be developed through which funds are transmitted and handled quickly and efficiently. Paper based payments system will in course of time be substituted substantially by electronic fund transfer.

As the institution for final settlement, the Reserve Bank will have to satisfy itself that the system is operating on a sound basis. It must also be satisfied with the credit worthiness of the various participants in the payments system. In this regard, the risk which can assume serious proportions would be the 'settlement' risk, particularly in the case of failure of a settlement bank. Such a likelihood will affect not only other banks in the payments system but also have an impact on the Central Bank as the ultimate arbiter of the financial system. A close look will therefore have to be given to the financial position of the counter parties as well as operating system features of the payments system.

2.6 Trends in the Primary Market

The industrial securities market has experienced significant growth, diversification, and innovations since independence. At present, there are 21 stock exchanges in the country. At the end of March 1994, out of three lakh non-government companies and 37,000 public limited companies, about 8,500 companies were listed on all stock exchanges, out of which about 3,200 companies were listed on the Bombay Stock Exchange (BSE), which accounts for roughly 70 percent of the stock market business in the country. The total number of scrips listed on the BSE is about 1,790 of which 90 are in the Specified List and 1,700 are in the Cash List. The number of shareholders in the country is estimated to be between 22 and 40 million at present. The stock markets operate with the help of about 6,000 active stockbrokers, 200 merchant bankers, 100 registrars to issues, and 24 mutual funds (RBI, 1993-94).

The total volume of new capital issues by both government and non-government companies was of the order of Rs.22,347 crore and Rs.28,555 crore during 1992-93 and 1993-94, respectively. Of these amounts, the government sector accounted for Rs. 2,548 crore (11 per cent) and Rs. 9,053 crore (32 per cent), respectively. Of the government sector issues, the public sector units (PSUs) accounted for Rs. 5,310 crore (59 per cent) and banks and financial institutions accounted for Rs. 3,743 crore (41 per cent) in 1993-94. The volume of new issues by the private sector companies remained almost constant at about Rs. 19,500 crore during, 1992-94 (RBI, 1993-94, p 73).

Thus, the volume of government issues in the recent past has become quite large and it has been subject to rather wide fluctuations. Further, almost the entire volume of government issues (97 to 99 per cent of the sector's total) has been in the form of bonds. Over the years, the bond capital raised by the PSUs has been greater than the private sector. This has been one of the important sectors behind the current increase in the volume of fluctuations in the aggregate new issue activity. The present spurt in the new issue activity may prove to be temporary because the large issues by the PSUs, banks and other public financial institutions induced by privatization and disinvestment may not continue in the future as well.

Table 2.21 : New Issues by Public Limited Companies in India

(Rs. Crore)

YEAR	EQUITY	PREFERENCE SHARES	DEBENDURES	TOTAL
1974-75	50	5	3	58
1979-80	89	2	73	164
1980-81	280	2	196	478
1981-82	259	2	445	706
1983-84	382	2	454	838
1984-85	363	-	693	1056
1985-86	858	1	843	1702
1986-87	1008	0.7	1556	2565
1987-88	1103	6.8	667	1777
1988-89	1033	3.3	2188	3225
1989-90	1220	7.9	5282	6510
1990-91	1284	13.1	3015	4312
1991-92	1731	1.5	4024	5756
1992-93	9981	0.5	9844	19826
1993-94	10113	63.5	9325	19501

Source : RBI, Report on Currency and Finance, various issues.

Table 2.22 The Share of Different Financial Assets in the Financial Savings of the Household Sector in India (%)

(Rs. Crore)

YEAR	CURRENCY	BANK DEPOSITS	NON- BANKING DEPOSITS	LIC FUNDS	PF AND PANSION	CLAIMS ON GOVERNMENT	SHARES AND DEBENTURES	UNITS OF UTI, ETC.
80-81	13.4	45.8	3.1	7.6	17.5	5.9	3.4	0.3
85-86	8.7	41.5	5.6	7	16.4	13.4	5.5	2.3
86-87	9.7	45.6	4.7	6.8	15.9	9.7	5.6	3
87-88	13.3	40.6	3.7	7.2	18	10.2	2.3	3.3
88-89	10.5	36.5	3.9	8.5	18.7	13.6	3.9	3.5
89-90	14.3	33.2	4.8	8.2	17.8	12.6	6.4	4.1
90-91	10.9	28.6	3.6	9.8	19.4	13.8	8.7	6
91-92	12.3	27.6	3.5	10.4	18.5	7.4	6.1	14.9
92-93	9.3	35.8	3.1	9.9	19.9	5.1	10.3	6.4

Note : The figures for 86-87 to 91-92 are provisional; the one for 92-93 is tentative.

Source : RBI, Report on Currency and Finance, 92-93, Vol II, p.10.

Table 2.23 : Structure of Debentures/Bonds Issues in India

(Rs. Crore)

Year	Non-government Public Limited Companies			Public Sector Units		
	Convertible	Non-convertible	Total	Tax-free	Taxable	Total
1979-80	58	15	73	-	-	-
1980-81	139	57	196	-	-	-
1981-82	295	149	444	-	-	-
1983-84	360	94	454	-	-	-
1984-85	173	520	693	-	-	-
1985-86	85	758	843	-	354	354
1986-87	1079	447	1526	899	775	1674
1987-88	529	138	667	1739	947	2686
1988-89	1796	392	2188	2070	446	2516
1989-90	4801	481	5282	2817	912	3729
1990-91	2357	658	3015	2545	3118	5663
1991-92	3497	527	4024	2369	2842	5211
1992-93	7865	1979	9844	10	1726	1736
1993-94	8107	1218	9325	-	-	4492

Source : RBI, Report on Currency and Finance, various issues.

Table 2.24 : Structure of New Capital Issues by Non-government Public Limited Companies in India

(Rs. Crore)

Year	Initial	Further	Prospectus	Rights
1976	37	22	49	10
1979	52	125	96	81
1980	57	106	102	62
1981	207	271	395	83
1982	221	442	457	206
1986-87	734	1831	1374	1191
1987-88	317	1457	707	1067
1988-89	1191	1944	1544	1591
1989-90	667	5806	3140	3333
1990-91	737	3575	2048	2264
1991-92	894	4863	1912	3845
1992-93	3204	16621	7034	12792
1993-94	-	-	11741	7760

Source : RBI, Report on Currency and Finance, various issues.

Table 2.25 : Some Secondary Market Indications : Bombay Stock Exchange

(Rs. Crore)

Indicators	1990-91	1991-92	1992-93	1993-94
Monthly Turnover (Average)	3001	5981	3808	7045
Market Capitalization	90,836	3,23,363	2,10,952	3,98,432
Price-Earning Ratio	19.30	26.05	35.51	36.35
Coefficient of Variation of Share Prices (%)	14.70	27.00	16.20	24.00
Share Price Dispersion	258.60	948.00	764.80	661.60

N.B. : Indicators No.4 and 5 are based on RBI Share Price Index.

Source : RBI, Report on Currency and Finance, various issues.

Table 2.26 : RBI All-India Index Numbers of Ordinary Share Prices (1980-81=100) and Dividend Yields

Year	Price Index (Annual Average)	% Change in Prices	High	Low	Dispersion	Gross Dividend Yield
1985-86	222	63	-	-	-	3.21
1986-87	231	4	-	-	-	3.64
1987-88	207	-10	227	189	38	4.32
1988-89	247	19	308	187	121	3.76
1989-90	359	45	411	318	93	3.18
1990-91	500	39	654	396	258	2.59
1991-92	776	55	1485	537	948	2.09
1992-93	1142	47	1657	892	765	1.69
1993-94	1051	-8	1461	799	662	0.91

Note : Figures in this table and the next two tables are rounded up.

Source : RBI, Report on Currency and Finance, various issues.

Table 2.27 : Bombay Stock Exchange Sensitive Index of Share Prices (1978-79=100)

Year	Index	% Change	High	Low	Dispersion
1985-86	492	85	665	346	319
1986-87	567	15	659	482	177
1987-88	454	-20	536	390	146
1988-89	613	35	719	397	322
1989-90	729	19	798	659	139
1990-91	1049	44	1559	748	811
1991-92	1879	79	4285	1194	3091
1992-93	2896	54	4546	2185	2361
1993-94	2899	-	4268	1980	2280

Source : BSE, The Stock Exchange Review, various issues.

Table 2.28 : Bombay Stock Exchange National Index of Share Prices (1983-84=100)

Year	Index	% Change	High	Low	Dispersion
1985-86	217	87	283	152	131
1986-87	257	18	280	231	49
1987-88	232	-10	256	207	49
1988-89	308	33	372	208	164
1989-90	385	25	426	363	63
1990-91	537	39	763	406	357
1991-92	917	71	1168	598	570
1992-93	1300	42	2049	989	1060
1993-94	-	-	2096	911	1185

Source : BSE, The Stock Exchange Review, various issues.

Tables 2.21 to 2.24 present useful information regarding long-term variations in the volume and structure of new issue activity of the private corporate sector in India. A prominent feature which emerges from these tables is that, in all assets, the stock market activity has been subject to value fluctuations from year to year and the long-term trend has been one of steep increase; the new issues have increased from a meager Rs. 25 crore in 1957 to Rs. 58 crore in 1975 to Rs. 19,501 crore in 1993-94. The annual average of new issues has increased from Rs. 17 crore during 1951-55 to Rs. 40 crore during 1956-60, Rs. 77 crore during 1961-65, Rs. 74 crore during 1971-75, Rs. 110 crore during 1975-79, Rs. 938 crore during 1987-85, Rs. 3,156 crore during 1986-90, and Rs. 12,349 crore during 1991-94. Thus, an accelerating or exponential increase in new issues has occurred during the 80s and the 90s.

Similarly, as Table 2.22 shows, the proportion of shares and debentures in the total gross financial savings of the household sector has increased significantly from 3.4 per cent in 1980-81 to 10.3 per cent in 1992-93; if we add units, the increase is seen to be much larger, i.e., from 3.7 per cent 16.7 per cent during the same period. On the other hand, the proportion of banking and non-banking deposits has declined from 48.9 per cent in 1992-93. Thus, the investors asset preference has somewhat shifted from deposits to industrial securities during the past decade or so.

Another indicator showing an increase in the importance of industrial securities is their share in financing the project cost of companies. Available information for a sample of companies shows that the domestic equity and debenture capital financed 35 per cent, 45 per cent, and 60 per cent of their project cost in 1980-81, 1985-86, and 1991-92, respectively (RBI, 1992-93).

Security-wise analysis of private sector new issues shows that debentures have usually accounted for as high as 50 to 80 percent of new issues during 1985-1994. If we take into account the new issues of the government sector, bond/debenture (and not equity) emerges as a more preferred financial asset. The break-up of debenture issues Table 2.23 shows that it is convertible debentures rather than non-convertible debentures which have been more in demand in most of the years; they have accounted for 71 to 91 per cent of the total debenture issues during 1986-1994. In the case of public sector units, the demand for even taxable bonds has increased significantly over the years.

A new feature recently emerging in this context has been an increasingly greater use of a number of hybrid innovative security types. The companies raised about Rs. 1.98 crore in 1991-92, Rs. 4,703 crore in 1992-93, and Rs. 5,460 crore in 1993-94 through instruments such as secured premium notes with detachable equity warrants, equity shares with detachable equity warrants, zero interest fully convertible debentures, fully convertible debentures with interest option, secured zero interest partly convertible debentures with detachable equity warrants, fully convertible cumulative preference shares, and preference shares with equity warrants.

Another note-worthy feature of the new issue activity is that while the proportion of rights issues in total issues has significantly increased, that of public issues thorough prospectus has declined with the passage of time. About 75 to 91 per cent of new issues were made as public issues through prospectus during 1969-77; this proportion has declined to 49 to 83 per cent during 1978-89, and to 33 to 48 per cent during 1990-93.

There has also been a marked increase in the practice of prior allotment of securities to promoters, foreign participants, etc. Prior allotments as a proportion of new issues increased from 20-36 per cent during 1971-86 to 44-60 per cent during 1987-1992.

In the recent past, a spate of equity issues, particularly rights issues, have been made at a high premium. While in 1991-92, 58 equity issues were made with a premium amount of Rs. 227 crore (i.e., 13.1 per cent of issue amount), in 1992-93, 324 issues were made with a premium amount of Rs. 5,184 crore (i.e., 51.9 per cent of issues). Towards the end of 1993, the premium is estimated to have constituted as high as 60 to 70 per cent of the total volume of issues.

In most of the years, the major part of new issues has been made by the existing rather than new companies. The issues of existing companies accounted for 57 to 82 per cent of total issues during 1980-89, and 83 to 90 per cent during 1990-93.

Another important recent development has been the entry of foreign corporations and foreign institutional investors (FIIs) as participants in the primary and secondary markets for industrial securities. The Securities and Exchange Board of India (SEBI) had registered over 160 FIIs by June 1994. The long-term or short-term perspective of these new investors will determine the nature of their impact on our stock markets. If they become "big bulls" and

indulge in speculation, they can destabilize the markets greatly. Thus, the volatility of the stock market has potentially increased due to their presence. As of now, their entry has affected the volume of business and the market structure due to special concessions offered to them. FIIs appear to be participating primarily in the secondary markets. Their sales of equities in absolute terms and as a proportion of their gross purchases have tended to increase in January October 1994. The net cumulative investments by FIIs stood at about \$2.83 billion or Rs. 54.64 billion at the end of October 1994.

2.7 Trends in the Secondary Market

In theory, stock exchanges are said to be essential in order to render investment in industrial securities liquid, and thereby facilitate the functioning of the new issue market. While the new issue market is "primary" the other market is only "secondary" in importance and is expected to play only the enabling, supplementary supportive role. However, in recent years, it is the secondary market which has become the centre-stage or prime focus of attention. This is surprising considering that the secondary market in India mostly does not deal in a security (i.e., debentures) which is most preferred by the genuine, individual, long-term investors.

Considerable hue and cry is made regarding the daily (short-term) variations in equity prices; the increase in equity prices is almost always desired and is taken to be the indicator of health and prosperity of the economy which is highly inconsistent with every one's attitude towards the increase in commodity prices. Many people talk, without any compunction, about the huge amounts of wealth being created or lost merely as a result of changes in share prices. That a premier institution like the Reserve Bank of India should calculate and present (based on SENSEX) the ratio of market capitalization to national income in its recent Annual reports shows how deep-rooted such a thinking has become. Just as an inflation rate beyond 3-4 per cent per year is regarded as a matter of concern, an increase in share prices beyond a certain percentage per year is positively harmful to the health of the economy, and is, therefore, undesirable.

Table 2.25 to 2.28 throw some light on the working of stock exchanges in India. They show that the behaviour of share prices can be studied with the help of three indices-the RBI All-India Index Number of Share Prices (based on 315-375 scrips), and the BSE National Index (based on 100 scrips), and the BSE Sensitive Index (SENSEX based on 30 scrips). The

secular trend in share prices has been one of steep increase; the RBI Index has increased from 39.98 in 1953-54 to 1142 in 1992-93 i.e., in by 2756 per cent. The major part of the 80s, particularly since the beginning of the 90s. The annual average rate of change in the equity prices varied between -3.69 and 10.58 per cent in five successive quinquennium of 25 years between 1956-57 and 1980-81; it precipitously increased to about 31 per cent in the first three years of 90s (Bhole, 1992, pp 416-425). Accordingly, the market capitalization has increased phenomenally in the recent past. In a short period of four years, the market value of SENSEX 30 scrips has gone up from Rs. 90,836 crore in 1990-91 to Rs. 3,98,432 crore in 1993-94 Table 2.26.

For an accurate interpretation of the stock market situation, it is necessary to remember that the level of share prices reached and the degree of their fluctuations are shown to be quite different by different indices. For example, over a given period of time, say 1987-88 to 1993-94, the equity prices are shown to have increased by 407.73 per cent, 767.30 per cent, and 849.50 per cent by the RBI Index, National Index, and SENSEX respectively.

Behind the secular increase lies a high degree of volatility or variability or instability of share prices. The high and fluctuating annual rates of change, very wide dispersion, i.e., the difference between high (peak) and low (trough) share values in each year, and a high coefficient of variation clearly highlight the marked erratic behaviour of share prices in India. Similarly, With the help of a study of half-monthly percentage variations in the prices of 80 individual specified scrips listed on the BSE and changes in the SENSEX and National Index in 1990, it was found that share price variations of more than 10 per cent were frequently common, which indicated that equity prices were quite volatile.

There are reasons to believe that the share price volatility has increased over the years, particularly in the recent past, and that it is likely to be high in the future also. As shown earlier, the annual average rate of change in share prices has significantly increased over the years. Similarly, share price dispersion has tended to increase and has been much higher during the 90s compared to earlier years. The relevant factors behind the current and potential increase in stock market volatility are:

- * the policy of deregulation and liberalization
- * introduction of flexible exchange rate regime
- * increasing globalization, internationalization, integration, and interdependence of world markets

- * Introduction of new, innovative, hybrid financial instruments, and new trading practices
- * uncertainty of government policies
- * speculation.

Contrary to share prices, the secular trend in the average gross dividend yield on equities has been one of sharp decline from 8.23 per cent in 1953 to 0.91 per cent in 1993-94. On the other hand, the rate of return on debentures, measured by the yield or ceiling rate of interest, has increased from 4.96 per cent to 14 or 15 per cent during the same period. The debenture yield has been higher than the equity dividend yield in each year since 1966-67, and this differential has been increasing almost continuously since that year. Thus, the market in industrial securities has experienced the phenomenon of the "reverse yield gap" since the middle of the 60s. However, the total rate of return (i.e., dividend yield plus the rate of capital appreciation) on equities, although prominently characterized by very wide year to year fluctuations, has been much higher than the rate of return on debentures on an annual average basis. Thus, equities have emerged as the gainful medium of investment primarily for the speculative investors.

It is heartening to note that the authorities have recently introduced a number of measures, guidelines and regulations, i.e., financial sector and capital market reforms with a hope to improve the functioning of our capital market. It is useful to list some of the important regulations here (GOI, 1993-94):

- * Capital Issues (Control) Act, 1947, replicate and the office of the Controller of Capital Issue (CCI) abolished.
- * Securities and Exchange Board of India (SEBI) armed with necessary authority and powers for issuing guidelines, norms, regulations, and for registration set up.
- * Controls over share prices and premium removed.
- * Indian companies allowed to make Euro-equity issues.
- * Companies required to disclose all material facts and specific risk factors associated with their projects while making public issues.
- * Mutual funds and other financial institutions allowed to apply for firm allotments in public issues.
- * Investment norms for NRIs and overseas corporate bodies liberalized.
- * FIIs permitted to invest in India.
- * Listing norms relaxed.
- * Various intermediaries and organizations related to capital market functioning brought within the regulatory framework of SEBI.

- * Guidelines for improving disclosure standards issued; prudential norms introduced; procedures for public issues, securities transfers, etc. simplified; code of advertisements for public issues introduced; Governing Boards of Stock Exchanges reconstituted; capital adequacy norms for brokers introduced; and guidelines for pre-issue and post-issue obligations, underwriting, and capital structure issued.

These reforms are welcome in so far as they would help to check the malpractices prevailing in our capital market. Towards that purpose, SEBI must be backed up and enabled to accomplish its difficult task. The phenomenon of stock market fraternity challenging, confronting, and thwarting SEBI's efforts must be displaced and neutralized. However, these reforms are unlikely to achieve much because they are mostly routine, administrative, technical, procedural, and legal measures; they are really not reforms in the true sense of the term. They have been introduced to aid the shift towards privatization, liberalization, and globalization, which exalt free market ideology of maximization of self-interest, profit-making, and greed. In fact, the nature of many of them is such that they would, directly and indirectly, aggravate certain already grave problems, viz., inequality and inequity. They are bound to be ineffective in dealing with the problems of speculation and volatility.

Apart from these reforms, it has been suggested by some that the categorization of listed shares into "specified" and "non-specified" groups should be done away with; that floorless or screen-based trading system should be introduced; that a National Stock Exchange System should be created; that longer trading sessions should be introduced; that the brokerage charged should be disclosed in contract notes; and that the present margin system should be replaced by margin trading. Under the present margin system, margins do not match the risk from price volatility; margins are commonly evaded/avoided through collusion between the buyer and the seller; and defaults have not been prevented in many cases; margin trading system is more effective because it debits losses and credits gains daily to the members having outstanding positions. Some of these measures are already under implementation.

In addition, we suggest that certain measures advocated in this context by Keynes, Tobin, and some other economists should be seriously considered. High brokerage charges, heavy/substantial Securities Transactions (Transfer) Tax (STT), "circuit breakers," and a capital gains tax with a sliding scale of tax rates linked to holding periods, are some of these measures. According to Keynes, STT on all security transactions would diminish the liquidity of the market, rule out the large volume of transactions, and prove to be the most serviceable

reform available for mitigating the predominance of speculation over enterprise and social purpose. Tobin has also argued that the STT and capital gains tax mentioned above would discourage short-term speculation and encourage portfolio decisions on long-term fundamentals.

Under the system of "circuit breakers," trading is stopped once a predetermined allowable maximum daily movement in the selected share price index is reached. The system is meant to make market participants pause and thereby halt the wave of irrational buying and selling. It is also useful in halting any automatic process of computer trading whereby a flood of "stop-loss" order is executed simultaneously. A "stop-loss" order is a prearranged order to sell as soon as the price falls to a specified level. It enables the investor to get out of the position before the price falls to low, but it adds to sales when the market is already falling, precipitating a further price fall.

In India, capital gains tax exists but it is not finely graded, and it is being hardly used to curb speculation and market volatility. In fact, of late, the policy in respect of its use has become liberal. This needs to be changed. There is yet no STT in India but the purchaser of shares has to pay some stamp duty. Similarly, SEBI has recently directed BSE brokers to pay turnover-based registration fee for a period of five years commencing from 1992-93. Further, the Central Government has recently enacted but not yet enforced a law to impose a service tax on stock brokers. Some people regard the service tax to be different from STT, but the state governments argue that it is STT. This has led to a dispute regarding the sharing of the proceeds of such a tax between the states and the centre. These problems need to be tackled and a uniform national STT high enough to be a deterrent should be imposed. Article 269 of the Constitution provides that the Central Government can impose "a tax, other than stamp duty, on transactions in stock exchanges and futures markets, "but its collection is to be assigned to the respective state governments.

Such reforms should not be opposed because they may tend to diminish the liquidity of the stock market. There is a need to rethink seriously about the extent to which liquidity is essential for genuine investment activity. We ought to make a distinction between liquidity for the genuine investors and liquidity for the marketeers and speculators. The latter group must have been abusing liquidity since long which made Keynes regard it as the "anti-social maxim" of finance, and to contemplate a drastic measure of making investment non-

transferable. Thus, "...the spectacle of modern investment markets has sometimes moved me towards the conclusion that to make the purchase of an investment permanent and indissoluble might be a useful remedy for our contemporary evils...For this would force the investor to direct his mind to the long-term prospects and to those only".

The argument that there would be little genuine investment in securities if they are not liquid is unsustainable. Certain features of our own capital market establish this. Firstly, debentures have been one of the most favoured mediums of investment in spite of the virtual absence of secondary market in them. Secondly, although listing and active trading have been confined to only a small number of scrips, i.e., although a large number of shares have been illiquid, people have been investing in those Scripps. Thirdly, a boom in the primary market in 1992-93 would not have been accompanied by a slump in the secondary market. It must be realized that in the case of a majority of genuine investors, the naturally preferred and the thoughtful chosen holding period is mostly equal to the redemption or full- maturity or long term period. In any case, the alternative to "high" or "maximum" liquidity need not be illiquidity. Investment in industrial securities including equities can be made sufficiently liquid by developing a non-speculative secondary market, introducing repurchase/buy-back arrangements, and trading them over-the -counter at the branches of banks.

Summary

. In terms of depth, i.e., broad money to GDP ratio, the banking sector ranks in the top quarter of the developing countries, and is institutionally specialised between commercial banking and term lending institutions. The country's capital market is deep and sophisticated and has found investors particularly receptive in recent years. India entered the phase of decontrol and liberalization in the latter part of the decade of the 1980s, and the securities market witnessed a phenomenal growth. With a market capitalization of \$ 39 billion as of end 1991 India's financial system is well diversified with a broad variety of banking and capital market institutions, the Bombay Stock Exchange is the nineteenth largest in the world. In terms of investor base, i.e., numbers of individual shareholders, the Indian market is third largest in the world, behind only those in the U.S. and Japan. Throughout the eighties, the equity as well as the bond markets witnessed rapid growth in all aspects, including the number of companies listed, the trading volume, as well as the amount of new capital raised. The scene in the capital market towards the end of the decade was :

- 1) Corporate sector started looking at capital market for long term financial requirements and moved away from financial institutions.

- 2) Households have started taking keen interest in investing in corporate papers.
- 3) Multinationals diluted their holdings by offering shares to Indian public.
- 4) Many activities hitherto exclusively reserved for public sector were opened upto private sectors and multinationals.
- 5) Foreign investors and NRIs were showing interest to invest in India but they were not allowed free access to corporate investment, and they could not perceive systematic regulation of capital markets in India.
- 6) Activity in the secondary market increased but there was no effective regulation control on the Stock Exchanges.
- 7) The Stock Exchanges were perceived to be exclusive clubs of member brokers, there were many imperfections in price formation, settlements etc.
- 8) There was a mushrooming growth in the intermediaries in the capital market which were unregulated.
- 9) The legal structure for the administration of controls on capital market was fragmented and administered departmentally, which was inadequate and inaccessible to players in the capital market for their protection.
- 10) There were no effective regulations on mutual funds and portfolio management services.

With the liberalization of economic policies as also an increasing proportion of household savings being invested in the securities market in India, it becomes necessary that the development of the securities market takes place along more healthier lines to ensure adequate regulation to protect the interests of the investor.

APPENDIX II FLOW OF FUNDS AND INTERSECTORAL TRANSACTIONS

1. Sector Wise Financial Flows of Banking Sector Uses (Rs. in Crores)

	OFI	PCB	GOVT.	R.O.W.	HH	TOTAL LENDING	OFI	PCB	GOVT.	R.O.W.	HH	HH
			SECTOR			TOTAL USES			SECTOR			
1951-52	0.17	54.20	-53.60	25.10	31.60	57.47	0.30%	94.31%	-93.27%	43.67%	54.99%	HH
1952-53	1.30	-21.70	75.20	1.50	-11.80	44.50	2.92%	-48.76%	168.99%	3.37%	-26.52%	R.O.W.
1953-54	4.20	-8.60	-20.40	26.00	23.00	25.00	16.80%	-34.40%	-81.60%	104.00%	95.20%	HH
1954-55	1.00	28.10	132.10	-14.80	32.10	178.50	0.56%	15.74%	74.01%	-8.25%	17.98%	R.O.W.
1955-56	4.10	66.80	28.70	28.70	93.60	341.80	1.20%	19.54%	42.60%	8.69%	27.97%	HH
1956-57	1.70	107.80	294.80	-222.30	85.90	267.90	0.63%	40.24%	110.04%	-82.08%	32.04%	R.O.W.
1957-58	0.90	80.60	523.70	-260.00	34.30	379.50	0.24%	21.24%	138.00%	-68.51%	9.04%	HH
1958-59	6.00	20.10	339.90	50.90	73.30	490.20	1.22%	4.10%	69.34%	10.38%	14.95%	R.O.W.
1959-60	3.00	34.50	376.40	-30.30	110.50	494.10	0.61%	6.98%	76.18%	-6.13%	22.36%	HH
1960-61	1.00	-205.80	-28.00	-53.70	85.90	-200.60	-0.50%	102.59%	13.96%	26.77%	-42.82%	R.O.W.
1961-62	5.60	124.10	238.60	-4.80	81.00	444.50	1.26%	27.92%	53.68%	-1.08%	18.22%	HH
1962-63	6.00	152.20	236.10	-13.20	124.50	505.60	1.19%	30.10%	46.70%	-2.61%	24.62%	R.O.W.
1963-64	11.10	193.50	235.80	14.30	190.80	645.50	1.72%	28.98%	36.53%	2.22%	29.56%	HH
1964-65	21.50	323.20	261.50	-14.10	112.20	704.30	3.05%	45.89%	37.13%	-2.00%	15.93%	R.O.W.
1965-66	3.20	208.20	669.60	73.90	150.00	1042.90	0.31%	19.77%	58.45%	7.09%	14.38%	HH
1966-67	14.60	189.80	294.90	27.20	231.70	793.20	1.93%	25.03%	38.89%	3.59%	30.56%	R.O.W.
1967-68	67.10	16.80	53.60	67.60	588.40	793.50	8.46%	2.12%	6.75%	8.52%	74.15%	HH
1968-69	4.05	196.60	485.00	-27.15	469.90	1130.40	0.36%	17.57%	42.91%	-2.40%	41.57%	R.O.W.
1969-70	22.60	168.50	153.10	159.20	608.40	1116.80	2.02%	15.09%	59.13%	14.26%	54.48%	HH
1970-71	62.90	231.50	967.80	504.30	967.80	1636.70	3.84%	14.14%	60.64%	-7.93%	30.81%	R.O.W.
1971-72	81.60	238.70	1144.45	60.75	361.90	1887.40	4.32%	12.65%	63.00%	3.22%	19.17%	HH
1972-73	97.50	250.00	1553.20	-35.65	600.50	2465.55	3.95%	10.14%	48.02%	-1.45%	24.36%	R.O.W.
1973-74	144.80	562.40	1412.10	119.80	701.60	2940.70	4.92%	19.12%	20.63%	4.07%	23.86%	HH
1974-75	217.80	641.60	1604.70	68.55	576.10	3109.75	7.00%	20.63%	51.60%	2.24%	18.53%	R.O.W.
1975-76	211.40	587.70	2184.20	860.70	938.50	4784.50	4.42%	12.28%	45.69%	17.99%	19.62%	HH
1976-77	343.70	805.00	1432.20	1404.30	1531.10	5507.30	6.24%	14.62%	25.84%	25.50%	27.80%	R.O.W.
1977-78	278.70	621.00	4790.50	1684.50	1311.50	8866.60	3.21%	7.15%	55.15%	19.40%	15.10%	HH
1978-79	666.00	1104.70	564.00	847.80	2125.40	5307.90	12.55%	20.81%	10.63%	15.97%	40.04%	R.O.W.
1979-80	790.00	1170.70	4978.30	-210.60	2868.00	9596.40	8.23%	12.20%	51.88%	-2.19%	23.89%	HH
1980-81	607.30	1071.40	7485.20	-336.70	2408.30	11235.50	5.41%	9.54%	66.62%	-3.00%	21.43%	R.O.W.
1981-82	987.00	1330.00	5629.00	-1446.00	3507.00	10013.00	8.66%	13.28%	56.22%	-14.38%	35.02%	HH
1982-83	2072.00	3181.00	10638.00	1085.00	2946.00	19922.00	10.40%	15.97%	53.40%	5.45%	14.79%	R.O.W.
1983-84	1446.00	1201.00	4452.00	1454.00	4705.00	13280.00	11.05%	9.04%	33.52%	10.95%	35.43%	HH
1984-85	2093.00	3126.00	10505.00	-716.00	5002.00	20455.00	7.07%	7.26%	55.40%	5.62%	24.45%	R.O.W.
1985-86	2569.00	2266.00	15016.00	-803.00	6044.00	21052.00	9.94%	14.85%	49.90%	-3.40%	28.71%	HH
1986-87	1253.00	3387.00	12947.00	-352.00	8158.00	26948.00	10.30%	9.09%	60.21%	-3.22%	23.62%	R.O.W.
1987-88	4308.00	6487.00	13968.00	-225.00	11275.00	25593.00	8.41%	14.02%	47.07%	-0.44%	31.88%	HH
1988-89	3180.00	5985.00	25616.00	-839.00	10607.00	34949.00	12.33%	18.56%	37.48%	-1.87%	32.27%	R.O.W.
1989-90	1702.00		28880.00	-1285.00	9722.00	440278.00	3.64%	11.88%	65.22%	-2.90%	21.96%	HH

2. Sector Wise Financial Flows of Banking Sector (Sources Rs. In Crores)

	OFI	PCB	GOVT.	R.O.W.	HH	TOTAL BORROWING	OFI	PCB	GOVERNMENT	R.O.W.	HH
			SECTOR			SOURCES			SECTOR		
1951-52	4.10	-0.50	14.80	22.50	-136.00	-95.10	-4.31%	0.53%	-15.56%	-23.66%	143.01%
1952-53	-3.20	-6.80	-42.80	-38.30	15.40	-75.70	4.23%	8.98%	56.54%	50.59%	-203.4%
1953-54	-3.30	10.60	-23.90	-16.20	61.50	28.70	-11.50%	36.93%	-83.28%	-56.45%	214.29%
1954-55	8.90	18.30	7.00	-11.90	152.80	175.10	5.08%	10.45%	4.00%	-6.80%	-87.26%
1955-56	2.00	27.50	9.40	-5.10	301.40	335.20	0.60%	8.20%	2.80%	-1.52%	89.92%
1956-57	7.60	-5.20	-14.20	100.20	176.30	267.70	2.84%	-1.94%	-5.30%	38.55%	63.86%
1957-58	27.10	1.40	-3.90	118.50	196.80	339.90	7.97%	0.41%	-1.15%	34.86%	57.90%
1958-59	-7.70	9.30	45.30	88.10	238.50	373.50	-2.06%	2.49%	12.13%	23.59%	63.86%
1959-60	9.90	21.80	37.70	67.10	326.50	463.00	-2.14%	4.71%	8.14%	14.99%	70.52%
1960-61	-7.30	33.70	4.00	-123.00	195.50	102.90	-7.09%	32.75%	3.89%	-110.53%	189.99%
1961-62	14.30	10.00	81.70	13.80	313.30	433.10	3.30%	2.31%	18.86%	3.19%	72.34%
1962-63	14.90	8.10	36.40	-13.40	368.90	414.90	3.59%	1.95%	8.77%	-3.23%	88.91%
1963-64	19.40	19.20	54.10	-49.80	527.00	569.90	3.40%	3.37%	9.49%	-8.74%	92.47%
1964-65	47.20	36.00	42.20	-47.70	462.40	540.10	8.74%	6.67%	7.81%	-8.83%	85.61%
1965-66	13.10	17.00	76.30	38.80	676.20	822.40	1.59%	2.07%	9.28%	4.84%	82.22%
1966-67	48.90	-25.20	60.50	105.30	554.50	744.00	6.57%	-3.39%	8.13%	14.15%	74.53%
1967-68	67.10	16.80	53.60	67.60	588.40	793.50	8.46%	2.12%	6.75%	8.52%	74.15%
1968-69	85.30	45.50	146.10	5.00	697.20	979.10	8.71%	4.65%	14.92%	0.51%	71.21%
1969-70	66.10	29.90	249.90	-158.30	872.30	1059.90	6.24%	2.82%	23.58%	-14.94%	82.30%
1970-71	143.40	27.10	348.90	-75.80	1126.20	1569.80	9.13%	1.73%	22.23%	-4.83%	71.74%
1971-72	166.70	82.05	-101.80	41.55	1335.10	1523.60	10.94%	5.39%	-6.68%	2.79%	87.63%
1972-73	129.10	94.20	177.85	14.20	1932.70	2348.05	5.90%	4.01%	7.57%	0.60%	82.31%
1973-74	224.60	179.00	250.10	152.55	2114.80	2921.05	7.69%	6.13%	8.56%	5.22%	72.40%
1974-75	171.75	86.60	213.40	509.85	1680.40	2662.00	6.45%	3.25%	8.02%	19.15%	63.13%
1975-76	325.35	115.80	438.70	236.90	3250.10	4366.85	7.45%	2.65%	10.05%	5.42%	74.43%
1976-77	458.90	162.70	386.80	-143.30	4855.10	5720.20	8.02%	2.84%	6.76%	-2.51%	84.88%
1977-78	310.90	223.60	3084.10	542.40	4122.80	8263.80	3.76%	2.71%	37.08%	6.56%	49.89%
1978-79	332.60	280.50	-1239.50	31.60	5389.00	4794.20	6.94%	5.85%	-25.85%	0.66%	112.41%
1979-80	517.20	178.20	700.40	864.70	5791.80	8052.30	6.42%	2.21%	8.70%	10.74%	71.93%
1980-81	655.30	329.10	1234.60	967.60	6682.40	9869.00	6.64%	3.33%	12.51%	9.80%	67.71%
1981-82	633.00	129.00	55.00	847.00	6091.00	7755.00	8.16%	1.66%	0.71%	10.92%	78.54%
1982-83	2310.00	183.00	4186.00	8614.00	2415.00	17708.00	13.04%	1.03%	23.64%	48.64%	13.64%
1983-84	885.00	399.00	-2529.00	2147.00	10909.00	11911.00	7.49%	3.38%	-21.41%	18.18%	92.36%
1984-85	956.00	634.00	1812.00	1421.00	12894.00	17117.00	5.40%	3.58%	10.23%	8.02%	72.78%
1985-86	993.00	654.00	1385.00	1417.00	12682.00	17131.00	5.80%	3.82%	8.08%	8.27%	74.03%
1986-87	1034.00	511.00	711.00	815.00	17984.00	21055.00	4.91%	2.43%	3.38%	3.87%	85.41%
1987-88	1403.00	412.00	325.00	772.00	19232.00	22145.00	6.34%	1.86%	1.47%	3.49%	86.85%
1988-89	2742.00	1101.00	3327.00	3543.00	18724.00	29437.00	9.31%	3.74%	11.30%	12.04%	63.61%
1989-90	3095.00	2188.00	3290.00	3079.00	26192.00	37844.00	8.18%	5.78%	8.69%	8.14%	69.21%
			3948.00	6185.00	24077.00	40734.00	8.62%	7.39%	9.69%	15.19%	59.11%

Sources :
RBI Bulletin - March 1967 and July 1969, August 1975
March 1980
Flow of funds January 1982 and June 1993

PERCENTAGE SHARE OF ALL SECTOR IN OFFENDING

3. Sector-Wise Flow of Funds of other OFI Sector (Uses) (Rs. In Crores)

Period	Banking	PCB	GOVERNMENT	R.O.W.	HH	TOTAL LENDING	Banking		PCB	GOVERNMENT	R.O.W.	HH
							Sector	SECTOR				
TOTAL USES												
1951-52	4.10	14.40	43.20		8.70	70.40	5.82%	20.45%	61.36%	0.00%	12.36%	
1952-53	-3.20	27.00	20.50		7.20	51.50	-6.21%	52.43%	39.81%	0.00%	13.98%	
1953-54	-3.30	4.30	218.90		5.90	225.80	-1.46%	1.90%	96.94%	0.00%	2.61%	
1954-55	8.90	8.90	98.30		7.70	122.90	7.24%	6.51%	79.98%	0.00%	6.27%	
1955-56	2.00	16.60	111.80		5.90	136.30	1.47%	12.18%	82.02%	0.00%	4.33%	
1956-57	7.60	37.70	46.40		-2.30	89.40	8.50%	42.17%	51.90%	0.00%	-2.57%	
1957-58	27.10	55.80	78.00		4.00	165.70	16.35%	33.68%	47.68%	-0.12%	2.41%	
1958-59	-7.70	47.30	98.00		3.00	141.30	-5.45%	33.47%	69.36%	0.50%	2.12%	
1959-60	9.90	36.00	176.00		-2.10	220.40	4.49%	16.33%	79.85%	0.27%	-0.95%	
1960-61	-7.30	-172.10	208.40		0.90	30.40	-24.01%	-566.12%	685.53%	1.64%	2.96%	
1961-62	14.30	49.30	108.50		11.30	183.60	7.79%	26.85%	59.10%	0.11%	6.15%	
1962-63	14.90	17.80	215.50		2.80	251.10	5.93%	7.09%	85.82%	0.04%	1.12%	
1963-64	19.40	45.50	184.70		12.00	261.50	7.42%	17.40%	70.63%	-0.04%	4.59%	
1964-65	47.20	30.10	238.10		11.40	336.60	14.45%	9.22%	72.90%	0.06%	3.49%	
1965-66	13.10	123.30	229.60		15.00	379.80	3.45%	32.46%	60.45%	-0.32%	3.95%	
1966-67	46.90	109.00	186.20		21.90	369.30	12.70%	29.52%	50.42%	1.44%	5.93%	
1967-68	70.70	87.70	174.60		27.80	358.60	19.72%	24.46%	48.69%	-0.61%	7.75%	
1968-69	76.30	78.00	211.50		26.80	394.80	19.33%	20.01%	53.57%	0.30%	6.79%	
1969-70	70.30	81.20	287.70		32.60	471.95	14.90%	17.21%	60.96%	0.03%	6.91%	
1970-71	112.60	82.30	362.50		40.10	597.70	18.84%	13.77%	60.65%	0.03%	6.71%	
1971-72	166.70	93.70	418.70		40.10	720.30	23.14%	13.01%	58.13%	0.15%	5.57%	
1972-73	129.10	113.45	516.70		10.90	771.50	16.73%	14.71%	66.97%	0.17%	1.41%	
1973-74	224.60	151.40	602.20		44.10	1025.80	21.90%	14.76%	58.71%	0.34%	4.30%	
1974-75	171.75	151.60	691.50		78.40	1099.15	15.63%	13.79%	62.91%	0.45%	7.22%	
1975-76	323.30	191.15	1010.90		78.90	1607.35	20.11%	11.89%	62.89%	0.13%	4.97%	
1976-77	337.20	437.40	1215.00		241.10	2252.40	14.97%	19.42%	53.94%	0.96%	10.70%	
1977-78	354.20	477.90	1523.50		124.10	2488.40	14.23%	19.21%	61.22%	0.35%	4.99%	
1978-79	440.90	562.20	1744.90		496.90	3258.10	13.53%	17.26%	53.56%	0.41%	15.25%	
1979-80	379.00	783.30	1992.60		704.60	3684.00	9.83%	20.32%	51.70%	-0.14%	18.28%	
1980-81	717.70	574.40	2195.40		86.30	3616.70	19.84%	15.88%	60.70%	1.19%	2.39%	
1981-82	745.00	1216.00	2982.00		215.00	5174.00	14.40%	23.50%	43.45%	0.20%	4.43%	
1982-83	2488.00	1612.00	3431.00		390.00	7897.00	31.51%	22.33%	54.56%	0.79%	6.18%	
1983-84	1307.00	1669.00	4078.00		462.00	7475.00	16.15%	22.33%	48.78%	1.63%	5.35%	
1984-85	1338.00	2133.00	3828.00		420.00	7847.00	17.05%	27.18%	55.77%	1.79%	7.77%	
1985-86	993.00	1890.00	4638.00		646.00	8316.00	11.94%	22.73%	65.01%	1.18%	5.98%	
1986-87	761.00	1670.00	5679.00		522.00	8735.00	8.71%	19.12%	47.76%	0.37%	3.41%	
1987-88	2402.00	5458.00	7778.00		555.00	16284.00	14.93%	33.52%	44.71%	-0.17%	3.04%	
1988-89	4814.00	7484.00	10490.00		713.00	23461.00	20.52%	31.90%	39.85%	0.77%	3.78%	
1989-90	6321.00	8841.00	10845.00		1029.00	27215.00	23.23%	32.49%	38.17%	0.66%	3.78%	
1990-91	8367.00	8414.00	12144.00		1914.00	31812.00	25.99%	26.45%		3.37%	6.02%	

Sources : RBI Bulletin - March 1967 and July 1969, August 1975
March 1980
Flow of funds January 1992a and June 1993

4. Sector-Wise Flows of Funds of other Financial Institutions (Sources) (Ru. In Crores)

Period	TOTAL BORROWING										R.O.W	HH					
	Banking	PCB	GOVERNMENT	R.O.W.	HH	SOURCES				Banking			PCB	GOVERNMENT	R.O.W		
						SECTOR	SECTOR	SECTOR	SECTOR								
	Sector					Sector				Sector							
1951-52						41.40				41.40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1952-53						54.50				54.50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1953-54	4.20					84.90	1.40			90.50	4.64%	0.00%	1.55%	1.55%	0.00%	0.00%	93.81%
1954-55	1.00				1.50	95.30	1.50			99.30	1.01%	0.00%	0.00%	0.00%	0.00%	0.00%	95.97%
1955-56	4.10				9.10	92.80	9.10			106.00	3.87%	0.00%	0.00%	0.00%	0.00%	0.00%	87.55%
1956-57	1.70				6.90	95.00	6.90			103.60	1.64%	0.00%	0.00%	0.00%	0.00%	0.00%	91.70%
1957-58	0.90				9.50	109.10	9.50			119.50	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	91.30%
1958-59	6.00	-1.40		0.10		129.60				135.90	4.42%	0.00%	0.00%	0.00%	0.15%	0.15%	95.36%
1959-60	3.00				2.10	134.20	7.40			137.90	2.18%	-1.02%	0.00%	0.00%	1.52%	1.52%	97.32%
1960-61	1.00	0.00			1.30	165.20	2.40			174.90	0.57%	0.00%	4.23%	0.74%	0.74%	0.74%	94.45%
1961-62	5.60			4.50		186.40				198.30	3.52%	0.00%	2.83%	2.83%	1.51%	1.51%	92.13%
1962-63	6.00			17.50	5.30	179.50				208.30	4.66%	0.00%	10.75%	10.75%	2.73%	2.73%	81.86%
1963-64	11.10			25.60	6.50	195.00				238.20	6.34%	0.86%	20.56%	20.56%	2.21%	2.21%	70.03%
1964-65	21.50			68.70	7.50	237.40				339.00	1.11%	-0.38%	20.87%	20.87%	3.59%	3.59%	74.81%
1965-66	3.20	2.90		60.40	10.40	216.50				289.40	3.89%	0.02%	13.61%	13.61%	13.92%	13.92%	68.56%
1966-67	16.10	0.10		56.30	57.60	283.70				413.80	2.04%	0.03%	9.39%	9.39%	0.83%	0.83%	87.71%
1967-68	7.60	0.10		34.90	3.10	326.00				371.70	6.37%	0.02%	12.32%	12.32%	0.23%	0.23%	85.99%
1968-69	6.30	0.10		53.70	1.00	374.90				436.00	10.79%	0.04%	3.87%	3.87%	0.51%	0.51%	89.21%
1969-70	29.80	0.20		18.10	2.40	417.50				468.00	12.55%	0.02%	2.81%	2.81%	1.53%	1.53%	84.86%
1970-71	62.90	0.10		16.35	8.90	494.50				582.75	15.38%	0.03%	0.05%	0.05%	1.89%	1.89%	85.48%
1971-72	81.60	0.30		0.30	12.30	555.60				650.00	11.62%	0.07%	6.10%	6.10%	1.50%	1.50%	80.71%
1972-73	97.50	0.60		51.20	12.60	677.40				839.30	20.42%	0.03%	3.95%	3.95%	1.74%	1.74%	78.75%
1973-74	144.80	1.60		37.20	16.40	741.30				941.30	14.24%	0.06%	8.85%	8.85%	0.88%	0.88%	77.70%
1974-75	217.80	0.30		22.80	10.50	815.20				1066.60	16.83%	2.76%	7.48%	7.48%	0.79%	0.79%	70.40%
1975-76	211.40	0.90		95.20	23.50	1153.40				1484.40	20.33%	1.51%	7.92%	7.92%	0.38%	0.38%	67.06%
1976-77	369.10	60.50		194.20	19.30	1550.60				2193.70	23.13%	0.47%	9.22%	9.22%	-0.27%	-0.27%	70.71%
1977-78	493.30	24.40		181.40	19.10	1708.00				2426.20	24.35%	0.47%	13.72%	13.72%	0.85%	0.85%	60.61%
1978-79	728.70	47.70		249.50	12.00	2113.10				3151.00	22.49%	0.94%	14.62%	14.62%	1.72%	1.72%	60.23%
1979-80	714.70	17.00		331.70	-9.70	2543.70				3597.40	26.20%	1.13%	11.66%	11.66%	2.42%	2.42%	59.67%
1980-81	864.30	16.70		486.90	30.10	2150.80				3548.80	26.40%	1.76%	11.89%	11.89%	3.49%	3.49%	57.53%
1981-82	1178.00	49.00		766.00	90.00	3155.00				5238.00	26.33%	2.60%	10.15%	10.15%	5.85%	5.85%	62.91%
1982-83	1433.00	62.00		638.00	73.00	3284.00				5470.00	13.63%	1.98%	6.05%	6.05%	7.94%	7.94%	61.75%
1983-84	1770.00	118.00		797.00	162.00	3857.00				6704.00	22.28%	7.25%	4.20%	4.20%	7.89%	7.89%	59.28%
1984-85	1117.00	178.00		694.00	239.00	4611.00				6839.00	24.84%	13.50%	5.04%	5.04%	7.90%	7.90%	48.77%
1985-86	2093.00	299.00		372.00	518.00	5566.00				8948.00	20.54%	4.85%	4.85%	4.85%	5.46%	5.46%	58.99%
1986-87	2569.00	228.00		697.00	916.00	7120.00				11330.00	24.76%	18.88%	17.43%	17.43%	9.40%	9.40%	66.67%
1987-88	2891.00	989.00		687.00	1076.00	8083.00				13636.00	20.54%	18.88%	17.43%	17.43%	9.40%	9.40%	66.67%
1988-89	5002.00	2719.00		802.00	1351.00	10022.00				20136.00	24.84%	18.88%	17.43%	17.43%	9.40%	9.40%	66.67%
1989-90	4316.00	3287.00		1302.00	1351.00	14607.00				24763.00	18.88%	18.88%	17.43%	17.43%	9.40%	9.40%	66.67%
1990-91	5243.00	280.00		1133.00	2632.00	18518.00				27776.00	18.88%	18.88%	17.43%	17.43%	9.40%	9.40%	66.67%

Sources : RBI Bulletin—March 1967 and July 1969, August 1975

March 1980

Flow of funds January 1992 and June 1993

5. Sector-Wise Financial Flows of PBC (Uses) (Rs. In Crores)

	Banking	OFI	GOVERNMENT	R.O.W.	HH	TOTAL LENDI	Banking	OFI	GOVERNMENT	R.O.W.	HH
	Sector		SECTOR			TOTAL USES	Sector		SECTOR		
1951-52	-0.50		-1.70		-4.50	-6.70	7.46%	0.00%	25.37%	0.00%	67.16%
1952-53	-13.70		4.60		-18.30	-27.40	50.00%	0.00%	-16.79%	0.00%	66.79%
1953-54	10.20		3.40		6.80	20.40	50.00%	0.00%	16.67%	0.00%	33.33%
1954-55	18.30		5.60		-3.80	20.10	91.04%	0.00%	27.86%	0.00%	-18.91%
1955-56	27.50		-12.40		2.50	17.60	156.25%	0.00%	-70.45%	0.00%	14.20%
1956-57	-5.20		-4.00	-1.90	-16.30	-27.40	18.98%	0.00%	14.60%	6.93%	59.49%
1957-58	1.40		-4.20	-0.60	-30.90	-34.30	-4.08%	0.00%	12.24%	1.75%	90.09%
1958-59	9.30		-5.80	-1.60	-30.40	-28.50	-32.63%	0.00%	20.35%	5.61%	106.67%
1959-60	21.80		2.70	0.70	-21.70	2.10	1038.10%	-66.67%	128.57%	33.33%	-1033.33%
1960-61	33.70	-1.40	3.50	-1.60	178.40	214.00	15.75%	0.00%	1.64%	-0.75%	83.36%
1961-62	10.00		-3.60	1.50	-7.20	0.70	1428.57%	0.00%	-514.29%	214.29%	-1028.57%
1962-63	8.10		2.90	-2.50	59.30	67.80	11.95%	0.00%	4.28%	-3.69%	87.46%
1963-64	19.20		-3.40	1.20	22.90	39.90	48.12%	0.00%	-8.52%	3.01%	57.39%
1964-65	36.00		-0.40	1.60	72.30	112.40	32.03%	2.58%	-0.36%	1.42%	64.32%
1965-66	17.00		-2.40	-3.00	-9.70	0.80	2125.00%	-137.50%	-300.00%	-375.00%	-1212.50%
1966-67	-6.60		4.60	-1.00	29.00	26.05	-25.34%	0.19%	17.66%	-3.84%	111.32%
1967-68	3.70		8.30	-0.70	9.20	20.55	18.00%	0.24%	40.39%	-3.41%	44.77%
1968-69	48.30		10.00	-0.50	16.60	74.45	64.88%	0.07%	13.43%	-0.67%	22.30%
1969-70	34.00		11.60	-0.90	20.20	65.00	52.31%	0.15%	17.85%	-1.38%	31.08%
1970-71	36.10		5.50	0.50	-24.60	17.60	205.11%	0.57%	31.25%	2.84%	-139.77%
1971-72	82.50		815.00	1.00	23.90	922.60	8.94%	0.02%	88.34%	0.11%	2.59%
1972-73	94.20		4.15	1.30	10.90	111.15	84.75%	0.54%	3.73%	1.17%	9.81%
1973-74	179.00		-1.90	0.40	-36.30	215.40	83.10%	0.74%	-0.88%	0.19%	16.85%
1974-75	86.60		5.20	0.50	26.40	119.00	72.77%	0.25%	4.37%	0.42%	22.18%
1975-76	115.80		0.90	2.35	137.30	254.65	45.47%	0.35%	-0.67%	0.92%	53.92%
1976-77	126.80		36.20	0.70	19.00	182.70	69.40%	0.00%	19.81%	0.38%	10.40%
1977-78	301.30		51.40	3.40	66.40	422.50	71.31%	0.00%	12.17%	0.80%	15.72%
1978-79	65.80		81.00	-0.30	122.70	269.20	24.44%	0.00%	30.09%	-0.11%	45.58%
1979-80	262.20		36.40	2.00	115.20	415.80	63.06%	0.00%	8.75%	0.48%	27.71%
1980-81	257.80		201.00	7.00	134.00	863.00	54.94%	0.00%	18.58%	1.11%	25.36%
1981-82	512.00		156.00	5.20	119.00	629.20	59.33%	0.00%	23.29%	0.81%	15.53%
1982-83	470.00		259.00	7.00	103.00	760.00	61.84%	3.16%	20.53%	0.92%	13.55%
1983-84	504.00		216.00	18.00	64.00	920.00	54.78%	8.15%	28.15%	1.96%	6.96%
1984-85	483.00		216.00	6.00	100.00	951.00	50.79%	15.35%	22.71%	0.63%	10.52%
1985-86	654.00		7.00	-636.00	89.00	413.00	158.35%	72.40%	1.69%	-154.00%	21.55%
1986-87	589.00		228.00	-432.00	109.00	491.00	119.96%	46.44%	-0.61%	-87.98%	22.20%
1987-88	-256.00		390.00	-1.00	226.00	361.00	-70.91%	0.55%	108.03%	-0.28%	62.60%
1988-89	1123.00		1095.00	-3.00	245.00	2464.00	45.58%	0.16%	44.44%	-0.12%	9.94%
1989-90	2031.00		894.00	-14.00	275.00	3191.00	63.65%	0.16%	28.02%	-0.44%	8.62%
1990-91	1978.00		950.00	-15.00	295.00	3215.00	61.52%	0.22%	29.55%	-0.47%	9.18%

Sources: RBI Bulletin - March 1967 and July 1969, August 1975

March 1980

Flow of funds January 1992 and June 1993

6. Sectoral Wise Financial Flows of PCB Sector (Sources Rs. In Crores)

Period	Banking				OFI	GOVERNMENT SECTOR	R.O.W.	HH	TOTAL BORROWING (SOURCES)	Banking Sector	OFI	GOVERNMENT SECTOR	R.O.W.	HH
	Sector													
	Sector													
1951-52	54.20	14.40	2.30	63.30	-1.00	2.30	133.20	40.69%	10.81%	1.73%	-0.75%	47.52%		
1951-52	54.20	14.40	2.30	63.30	-1.00	2.30	133.20	40.69%	10.81%	1.73%	-0.75%	47.52%		
1952-53	-21.70	27.00	2.50	38.60	0.60	2.50	47.00	-46.17%	57.45%	5.32%	1.28%	82.13%		
1952-53	-21.70	27.00	2.50	38.60	0.60	2.50	47.00	-46.17%	57.45%	5.32%	1.28%	82.13%		
1953-54	-8.60	4.30	1.30	44.30	2.80	1.30	44.30	-19.41%	9.71%	2.93%	6.32%	100.45%		
1953-54	-8.60	4.30	1.30	44.30	2.80	1.30	44.30	-19.41%	9.71%	2.93%	6.32%	100.45%		
1954-55	28.10	8.00	10.30	-5.00	5.10	10.30	46.50	60.43%	17.20%	22.15%	10.97%	-10.75%		
1954-55	28.10	8.00	10.30	-5.00	5.10	10.30	46.50	60.43%	17.20%	22.15%	10.97%	-10.75%		
1955-56	66.80	16.60	21.00	116.90	0.60	21.00	221.90	30.10%	7.48%	9.46%	0.27%	52.68%		
1955-56	66.80	16.60	21.00	116.90	0.60	21.00	221.90	30.10%	7.48%	9.46%	0.27%	52.68%		
1956-57	107.80	37.70	23.60	58.70	-4.00	23.60	223.80	48.17%	16.85%	10.55%	-1.79%	26.23%		
1956-57	107.80	37.70	23.60	58.70	-4.00	23.60	223.80	48.17%	16.85%	10.55%	-1.79%	26.23%		
1957-58	80.60	55.80	15.60	39.20	39.20	15.60	237.40	33.95%	23.50%	6.57%	16.51%	19.46%		
1957-58	80.60	55.80	15.60	39.20	39.20	15.60	237.40	33.95%	23.50%	6.57%	16.51%	19.46%		
1958-59	-2.10	47.30	15.60	18.50	14.40	15.60	93.70	-2.24%	50.48%	16.65%	15.37%	19.74%		
1958-59	-2.10	47.30	15.60	18.50	14.40	15.60	93.70	-2.24%	50.48%	16.65%	15.37%	19.74%		
1959-60	34.50	36.00	14.10	60.70	0.70	14.10	146.00	23.63%	24.66%	9.66%	0.48%	41.58%		
1959-60	34.50	36.00	14.10	60.70	0.70	14.10	146.00	23.63%	24.66%	9.66%	0.48%	41.58%		
1960-61	-205.80	-172.10	12.20	180.10	6.60	12.20	-179.00	114.97%	96.15%	-6.82%	-3.69%	-100.61%		
1960-61	-205.80	-172.10	12.20	180.10	6.60	12.20	-179.00	114.97%	96.15%	-6.82%	-3.69%	-100.61%		
1961-62	124.10	49.30	25.40	108.60	9.50	25.40	316.90	39.16%	15.56%	8.02%	3.00%	34.27%		
1961-62	124.10	49.30	25.40	108.60	9.50	25.40	316.90	39.16%	15.56%	8.02%	3.00%	34.27%		
1962-63	152.20	17.80	20.90	82.20	10.80	20.90	283.90	53.61%	6.27%	7.36%	3.80%	28.95%		
1962-63	152.20	17.80	20.90	82.20	10.80	20.90	283.90	53.61%	6.27%	7.36%	3.80%	28.95%		
1963-64	193.50	45.50	14.90	149.30	16.70	14.90	419.90	46.08%	10.84%	3.55%	3.98%	35.56%		
1963-64	193.50	45.50	14.90	149.30	16.70	14.90	419.90	46.08%	10.84%	3.55%	3.98%	35.56%		
1964-65	232.20	30.10	27.50	40.00	11.70	27.50	341.50	67.99%	8.81%	8.05%	3.43%	11.71%		
1964-65	232.20	30.10	27.50	40.00	11.70	27.50	341.50	67.99%	8.81%	8.05%	3.43%	11.71%		
1965-66	206.20	123.30	19.00	10.60	13.30	19.00	372.40	55.37%	33.11%	5.10%	3.57%	2.85%		
1965-66	206.20	123.30	19.00	10.60	13.30	19.00	372.40	55.37%	33.11%	5.10%	3.57%	2.85%		
1966-67	220.60	109.50	26.50	107.60	18.80	26.50	483.00	45.67%	22.67%	5.49%	3.89%	22.28%		
1966-67	220.60	109.50	26.50	107.60	18.80	26.50	483.00	45.67%	22.67%	5.49%	3.89%	22.28%		
1967-68	290.10	87.70	33.00	-6.50	13.80	33.00	418.10	69.39%	20.98%	7.89%	3.30%	-1.55%		
1967-68	290.10	87.70	33.00	-6.50	13.80	33.00	418.10	69.39%	20.98%	7.89%	3.30%	-1.55%		
1968-69	198.60	79.05	23.10	42.60	-12.70	23.10	330.65	60.06%	23.91%	6.99%	-3.84%	12.88%		
1968-69	198.60	79.05	23.10	42.60	-12.70	23.10	330.65	60.06%	23.91%	6.99%	-3.84%	12.88%		
1969-70	168.50	81.20	29.80	71.20	-26.30	29.80	324.40	51.94%	25.03%	9.19%	-8.11%	21.95%		
1969-70	168.50	81.20	29.80	71.20	-26.30	29.80	324.40	51.94%	25.03%	9.19%	-8.11%	21.95%		
1970-71	231.50	82.50	29.80	115.40	-14.60	29.80	444.60	52.07%	18.56%	6.70%	-3.28%	25.96%		
1970-71	231.50	82.50	29.80	115.40	-14.60	29.80	444.60	52.07%	18.56%	6.70%	-3.28%	25.96%		
1971-72	238.70	93.70	110.40	182.90	-21.80	110.40	603.90	39.53%	15.52%	18.28%	-3.61%	30.29%		
1971-72	238.70	93.70	110.40	182.90	-21.80	110.40	603.90	39.53%	15.52%	18.28%	-3.61%	30.29%		
1972-73	250.00	113.45	23.20	267.90	-13.20	23.20	641.35	38.98%	17.69%	3.62%	-2.06%	41.77%		
1972-73	250.00	113.45	23.20	267.90	-13.20	23.20	641.35	38.98%	17.69%	3.62%	-2.06%	41.77%		
1973-74	562.45	151.40	62.80	374.00	-38.30	62.80	1112.35	50.56%	13.61%	5.65%	-3.44%	33.62%		
1973-74	562.45	151.40	62.80	374.00	-38.30	62.80	1112.35	50.56%	13.61%	5.65%	-3.44%	33.62%		
1974-75	841.60	151.60	50.90	587.80	-29.00	50.90	1602.90	52.50%	9.46%	3.18%	-1.81%	36.67%		
1974-75	841.60	151.60	50.90	587.80	-29.00	50.90	1602.90	52.50%	9.46%	3.18%	-1.81%	36.67%		
1975-76	587.75	191.10	85.10	94.60	-48.40	85.10	910.15	64.58%	21.00%	9.35%	-5.32%	10.39%		
1975-76	587.75	191.10	85.10	94.60	-48.40	85.10	910.15	64.58%	21.00%	9.35%	-5.32%	10.39%		
1976-77	404.00	182.80	122.90	103.30	-17.00	122.90	796.00	50.75%	22.96%	15.44%	-2.14%	12.98%		
1976-77	404.00	182.80	122.90	103.30	-17.00	122.90	796.00	50.75%	22.96%	15.44%	-2.14%	12.98%		
1977-78	524.40	297.70	185.70	742.10	-18.10	185.70	1731.80	30.28%	17.19%	10.72%	-1.05%	42.85%		
1977-78	524.40	297.70	185.70	742.10	-18.10	185.70	1731.80	30.28%	17.19%	10.72%	-1.05%	42.85%		
1978-79	790.90	306.70	234.20	786.20	-19.10	234.20	2098.90	37.68%	14.61%	11.16%	-0.91%	37.46%		
1978-79	790.90	306.70	234.20	786.20	-19.10	234.20	2098.90	37.68%	14.61%	11.16%	-0.91%	37.46%		
1979-80	743.80	436.80	156.70	963.10	-4.30	156.70	2296.10	32.39%	19.02%	6.82%	-0.19%	41.95%		
1979-80	743.80	436.80	156.70	963.10	-4.30	156.70	2296.10	32.39%	19.02%	6.82%	-0.19%	41.95%		
1980-81	459.20	575.30	121.70	1134.60	15.20	121.70	2306.00	19.91%	24.95%	5.28%	0.66%	49.20%		
1980-81	459.20	575.30	121.70	1134.60	15.20	121.70	2306.00	19.91%	24.95%	5.28%	0.66%	49.20%		
1981-82	2153.00	1065.00	351.00	47.00	47.00	351.00	5231.00	41.16%	20.36%	6.71%	0.90%	30.87%		
1981-82	2153.00	1065.00	351.00	47.00	47.00	351.00	5231.00	41.16%	20.36%	6.71%	0.90%	30.87%		
1982-83	1934.00	1199.00	327.00	1819.00	55.00	327.00	5334.00	36.26%	22.48%	6.13%	1.03%	34.10%		
1982-83	1934.00	1199.00	327.00	1819.00	55.00	327.00	5334.00	36.26%	22.48%	6.13%	1.03%	34.10%		
1983-84	1557.00	1395.00	360.00	583.00	55.00	360.00	3950.00	39.42%	35.32%	9.11%	1.39%	14.76%		
1983-84	1557.00	1395.00	360.00	583.00	55.00	360.00	3950.00	39.42%	35.32%	9.11%	1.39%	14.76%		
1984-85	2108.00	1552.00	52.00	1278.00	82.00	52.00	5072.00	41.56%	30.60%	1.03%	1.62%	25.20%		
1984-85	2108.00	1552.00	52.00	1278.00	82.00	52.00	5072.00	41.56%	30.60%	1.03%	1.62%	25.20%		
1985-86	3126.00	1890.00	334.00	1916.00	8.00	334.00	7274.00	42.97%	25.98%	4.59%	0.11%	26.34%		
1985-86	3126.00	1890.00	334.00	1916.00	8.00	334.00	7274.00	42.97%	25.98%	4.59%	0.11%	26.34%		
1986-87	2266.00	1670.00	448.00	2235.00	23.00	448.00	6642.00	34.12%	25.14%	6.74%	0.35%	33.65%		
1986-87	2266.00	1670.00	448.00	2235.00	23.00	448.00	6642.00	34.12%	25.14%	6.74%	0.35%	33.65%		
1987-88	2630.00	3240.00	321.00	1261.00	85.00	321.00	7537.00	34.89%	42.99%	4.26%	1.13%	16.73%		
1987-88	2630.00	3240.00	321.00	1261.00	85.00	321.00	7537.00	34.89%	42.99%	4.26%	1.13%	16.73%		
1988-89	8230.00	5506.00	649.00	1607.00	448.00	649.00	16440.00	50.06%	33.49%	3.95%	2.73%	9.77%		
1988-89	8230.00	5506.00	649.00	1607.00	448.00	649.00	16440.00	50.06%	33.49%	3.95%	2.73%	9.77%		
1989-90	8404.00	8201.00	965.00	2082.00	774.00	965.00	20426.00	41.14%	40.15%	4.72%	3.79%	10.19%		
1989-90	8404.00	8201.00	965.00	2082.00	774.00	965.00	20426.00	41.14%	40.15%	4.72%	3.79%	10.19%		
1990-91	8045.00	8400.00	1115.00	1718.00	1014.00	1115.00	20292.00	39.65%	41.40%	5.49%	5.00%	8.47%		
1990-91	8045.00	8400.00	1115.00	1718.00	1014.00	1115.00	20292.00	39.65%	41.40%	5.49%	5.00%	8.47%		

Sources :

RBI Bulletin—March 1967 and July 1969, August 1975

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Flow of funds January 1992 and June 1993

7. Sector-Wise Financial Flows of Government Sector (Sources Rs. In Crores)

Period	Banking	OFI	PCB	R.O.W.	HH	TOTAL BORROWING (SOURCES)	Banking Sector	OFI	PCB	R.O.W.	HH
1951-52	-53.60	43.20	-1.70	60.10	72.10	120.10	-44.63%	35.97%	-1.42%	50.04%	60.03%
1952-53	75.20	20.50	4.60	28.50	-34.20	94.60	79.49%	21.67%	4.86%	30.13%	-36.15%
1953-54	-20.40	218.90	3.40	1.80	-68.60	135.10	-15.10%	162.03%	2.52%	1.33%	-50.78%
1954-55	132.10	98.30	5.60	-1.30	60.50	295.20	44.75%	33.30%	1.90%	-0.44%	20.49%
1955-56	145.60	111.80	-12.40	3.10	65.60	313.70	46.41%	35.64%	-3.95%	0.99%	20.91%
1956-57	294.80	46.40	-4.00	15.10	103.10	455.40	64.73%	10.19%	-0.88%	3.32%	22.64%
1957-58	523.70	79.00	-4.20	78.40	20.50	697.40	75.09%	11.33%	-0.60%	11.24%	2.94%
1958-59	399.90	98.00	-5.80	250.80	55.80	798.70	50.07%	12.27%	-0.73%	31.40%	6.99%
1959-60	376.40	170.80	2.70	171.50	40.10	761.50	49.43%	22.43%	0.35%	22.52%	5.27%
1960-61	-28.00	208.40	3.50	485.30	65.60	734.80	-3.81%	28.36%	0.48%	66.05%	8.93%
1961-62	236.10	215.50	2.90	373.30	78.80	715.30	33.36%	15.17%	-0.50%	43.21%	8.77%
1962-63	235.80	184.70	-3.40	487.10	117.90	5406.00	26.04%	23.77%	0.32%	41.18%	8.69%
1963-64	261.50	238.10	-4.00	504.90	110.20	1110.70	23.54%	21.44%	-0.06%	90.10%	2.18%
1964-65	609.60	229.60	-2.40	609.90	205.20	1651.90	36.90%	13.90%	-0.36%	45.46%	9.92%
1965-66	311.45	186.20	4.60	832.00	187.90	1522.15	20.46%	12.23%	-0.15%	36.92%	12.42%
1966-67	376.90	174.60	8.35	780.80	237.80	1578.45	23.88%	11.06%	0.30%	54.66%	12.34%
1967-68	485.00	211.50	10.00	515.30	193.30	1415.10	34.27%	14.95%	0.71%	36.41%	15.07%
1968-69	158.10	287.70	11.60	504.10	175.50	1137.00	13.91%	25.30%	1.02%	44.34%	13.66%
1969-70	967.80	362.50	5.50	468.30	306.00	2110.10	45.87%	17.18%	0.26%	22.19%	15.44%
1970-71	1144.40	418.70	8.15	400.00	215.10	2186.35	52.34%	19.15%	0.37%	18.30%	9.84%
1971-72	1553.20	516.70	4.50	-1120.30	313.00	2688.40	57.77%	19.22%	0.17%	11.20%	11.64%
1972-73	1412.10	602.20	-1.90	716.60	321.80	1209.10	116.79%	49.81%	-0.16%	-92.66%	26.22%
1973-74	1604.70	691.50	5.20	1229.50	496.20	3339.80	48.05%	20.70%	0.16%	21.46%	9.64%
1974-75	2186.20	1010.90	-1.70	1229.50	564.50	4921.10	44.43%	20.54%	-0.03%	24.98%	10.08%
1975-76	1714.30	1159.70	-10.40	1205.70	564.50	4633.80	37.00%	25.03%	-0.22%	26.02%	12.18%
1976-77	4692.40	1239.70	18.30	443.70	712.80	7106.90	66.03%	17.44%	0.26%	6.24%	10.03%
1977-78	197.30	1652.80	30.70	884.60	1101.10	3866.50	5.10%	42.75%	0.79%	22.88%	28.48%
1978-79	4989.90	1953.70	-7.90	564.50	1337.70	8837.90	56.46%	22.11%	-0.09%	6.39%	15.14%
1979-80	6194.10	2127.60	44.10	1692.40	1510.10	11568.30	53.54%	18.39%	0.38%	14.63%	13.05%
1980-81	5276.00	2913.00	3.00	1141.00	2758.00	12091.00	43.64%	24.09%	0.02%	9.44%	22.81%
1981-82	10496.00	2718.00	2.00	2428.00	2604.00	18248.00	57.52%	14.89%	0.01%	13.31%	14.27%
1982-83	2932.00	3672.00	2.00	2229.00	3389.00	12222.00	23.99%	30.04%	0.00%	18.24%	27.73%
1983-84	10522.00	3990.00	2.00	3185.00	4829.00	22528.00	46.71%	17.71%	0.01%	14.14%	21.44%
1984-85	10505.00	4638.00	7.00	3287.00	5287.00	23724.00	44.28%	19.55%	0.03%	13.86%	22.29%
1985-86	15016.00	5679.00	-3.00	4709.00	6305.00	31706.00	47.36%	17.91%	-0.01%	14.85%	19.89%
1986-87	11410.00	7420.00	5.00	5547.00	7544.00	31926.00	35.74%	23.24%	0.02%	17.37%	23.63%
1987-88	14051.00	10602.00	2.00	7298.00	9669.00	41622.00	33.76%	25.47%	0.00%	17.53%	23.23%
1988-89	28218.00	13937.00	2.00	4616.00	11789.00	58562.00	48.18%	23.80%	0.00%	7.88%	20.13%
1989-90	27024.00	13798.00	3.00	7624.00	13878.00	62327.00	43.36%	22.14%	0.00%	12.23%	22.27%

Sources:
RBI Bulletin - March 1967 and July 1969, August 1975
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8. Sectoral Wise Financial Flows of Government Sector (Uses Rs. In Crores)

	Banking	OFI	PCB	R.O.W.	HH	TOTAL LENDING	Banking	OFI	PCB	R.O.W.	HH
	Sector					TOTAL USES	Sector				
1951-52	14.80		2.30	-13.70	22.50	25.90	57.14%	0.00%	8.88%	-52.90%	86.87%
1952-53	-42.80		2.50	10.60	18.10	-11.60	368.97%	0.00%	-21.55%	-91.38%	-156.03%
1953-54	-23.90	1.40	1.30	-12.60	27.70	-6.10	391.80%	-22.95%	-21.31%	206.56%	-454.10%
1954-55	7.00	1.50	10.30	-16.70	14.30	16.40	42.68%	9.15%	62.80%	-101.83%	87.20%
1955-56	9.40	9.10	21.00	-14.30	30.80	56.00	16.79%	16.25%	37.50%	-25.54%	55.00%
1956-57	-14.20	6.90	23.60	9.30	17.60	43.20	-32.87%	15.97%	54.63%	21.53%	40.74%
1957-58	-3.90	9.50	15.60	8.20	34.70	64.10	-6.08%	14.82%	24.34%	12.79%	54.13%
1958-59	45.30	0.10	15.60	-29.70	34.10	65.40	69.27%	0.15%	23.85%	-45.41%	52.14%
1959-60	37.60	3.20	14.10	111.90	26.00	192.80	19.50%	1.66%	7.31%	58.04%	13.49%
1960-61	4.00	7.40	12.20	1.90	43.50	69.00	5.80%	10.72%	17.68%	2.75%	63.04%
1961-62	87.10	4.50	25.40	-5.30	25.40	137.10	63.53%	3.28%	18.53%	-3.87%	18.53%
1962-63	36.30	17.50	20.90	20.50	42.50	137.70	26.36%	12.71%	15.18%	14.89%	30.86%
1963-64	54.10	25.60	14.90	8.90	42.00	145.50	37.18%	17.59%	10.24%	6.12%	28.87%
1964-65	42.20	69.70	27.50	-41.70	41.00	138.70	30.43%	50.25%	19.83%	-30.06%	29.56%
1965-66	76.30	60.40	19.00	46.20	91.00	292.90	26.05%	20.62%	6.49%	15.77%	31.07%
1966-67	66.90	55.90	26.50	1.70	81.80	232.80	28.74%	24.01%	11.38%	0.73%	35.14%
1967-68	31.50	35.30	33.00	15.10	96.50	211.40	14.90%	16.70%	15.61%	7.14%	45.65%
1968-69	131.40	54.10	23.10	18.20	7.70	234.50	56.03%	23.07%	9.85%	7.76%	3.28%
1969-70	155.50	18.20	29.80	-1.75	40.10	241.85	64.30%	7.53%	12.32%	-0.72%	16.58%
1970-71	277.60	16.30	29.80	190.40	77.50	591.60	46.92%	2.76%	5.04%	32.18%	13.10%
1971-72	-101.80	0.30	110.40	-18.40	135.90	126.40	-80.54%	0.24%	87.34%	-14.56%	107.52%
1972-73	177.80	51.20	23.20	35.30	98.00	385.50	46.12%	13.28%	6.02%	9.16%	25.42%
1973-74	250.10	37.20	62.80	2.60	107.60	460.30	54.33%	8.08%	13.64%	0.56%	23.38%
1974-75	213.40	22.80	50.90	96.20	91.10	474.40	44.98%	4.81%	10.73%	20.28%	19.20%
1975-76	438.70	95.20	85.10	126.20	22.50	767.70	57.14%	12.40%	11.09%	16.44%	2.93%
1976-77	276.10	95.10	179.40	172.00	148.80	871.40	31.68%	10.91%	20.59%	19.74%	17.08%
1977-78	2715.60	219.50	447.40	125.20	138.60	3646.30	74.48%	6.02%	12.27%	3.43%	3.80%
1978-79	-2500.80	148.80	254.40	19.00	203.80	-1874.80	133.39%	-7.94%	-13.57%	-1.01%	-10.87%
1979-80	231.80	240.30	199.50	-11.20	141.50	801.90	28.91%	29.97%	24.88%	-1.40%	17.65%
1980-81	342.30	458.70	213.60	716.60	184.50	1915.70	17.87%	23.94%	11.15%	37.41%	9.63%
1981-82	-156.00	762.00	349.00	-39.00	148.00	1064.00	-14.66%	71.62%	32.80%	-3.67%	13.91%
1982-83	2314.00	565.00	362.00	-313.00	134.00	3062.00	75.57%	18.45%	11.82%	-10.22%	4.38%
1983-84	-3171.00	711.00	279.00	-298.00	203.00	-2276.00	139.32%	-31.24%	-12.26%	13.09%	-8.92%
1984-85	261.00	551.00	298.00	473.00	197.00	1780.00	14.66%	30.96%	16.74%	26.57%	11.07%
1985-86	1385.00	372.00	334.00	-340.00	203.00	1954.00	70.88%	19.04%	17.09%	-17.40%	10.39%
1986-87	2988.00	697.00	448.00	527.00	205.00	4865.00	61.42%	14.33%	9.21%	10.83%	4.21%
1987-88	-646.00	549.00	334.00	887.00	347.00	1471.00	-43.92%	37.32%	22.71%	60.30%	23.59%
1988-89	1388.00	661.00	703.00	747.00	467.00	3966.00	35.00%	16.67%	17.73%	18.84%	11.78%
1989-90	1477.00	1091.00	974.00	1564.00	729.00	5835.00	25.31%	18.70%	16.69%	26.80%	12.49%
1990-91	307.00	1228.00	1101.00	390.00	955.00	3981.00	7.71%	30.85%	27.66%	9.80%	23.99%

Sources:
RBI Bulletin - March 1967 and July 1969, August 1975
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9. Sectoral Wise Financial Flows of Rest of the World Sources

Period	Banking	OFI	PCB	Government	HH	TOTAL BORROWING (SOURCES)	Banking	OFI	PCB	Government	HH
1951-52	Sector -152.50			-13.70	-6.70	-172.90	88.20%	0.00%	0.00%	7.92%	3.88%
1952-53	1.50			10.60	-1.50	10.60	14.15%	0.00%	0.00%	100.00%	-14.15%
1953-54	26.00			-12.60	-5.20	8.20	317.07%	0.00%	0.00%	-153.66%	-63.41%
1954-55	-14.80			-16.70	-3.80	-35.30	41.93%	0.00%	0.00%	47.31%	10.76%
1955-56	29.70			-14.30	-4.50	10.90	272.48%	0.00%	0.00%	-131.19%	-41.28%
1956-57	-222.30	-0.30	-1.90	7.50	-3.90	-220.90	100.63%	0.14%	0.86%	-3.40%	1.77%
1957-58	-260.00	-0.20	-0.60	8.20	-3.80	-256.40	101.40%	0.08%	0.23%	-3.20%	1.48%
1958-59	50.90	0.70	-1.60	-29.70	-2.50	17.80	285.96%	3.93%	-8.99%	-166.85%	-14.04%
1959-60	-30.30	0.60	0.70	111.90	-2.00	80.90	-37.45%	0.74%	0.87%	138.32%	-2.47%
1960-61	-53.70	0.50	-1.60	1.90	-2.00	-54.40	98.71%	-0.92%	2.94%	-3.49%	2.76%
1961-62	-4.80	0.20	1.50	-5.30	-1.50	5.80	47.52%	-1.98%	-14.85%	52.48%	16.83%
1962-63	-13.20	0.10	-2.50	20.50	0.90	-10.10	-227.59%	1.72%	-43.10%	353.45%	15.52%
1963-64	14.30	-0.10	1.20	8.90	-1.10	23.20	61.64%	-0.43%	5.17%	38.36%	-4.74%
1964-65	-14.10	-0.20	1.60	-41.70	-1.40	-55.80	25.27%	0.36%	-2.87%	74.73%	2.51%
1965-66	73.90	-1.20	-3.00	46.20	-1.00	114.90	64.32%	-1.04%	-2.61%	40.21%	-0.87%
1966-67	9.30	5.30	-1.00	1.70		15.30	60.78%	34.64%	-6.54%	11.11%	0.00%
1967-68	54.30	-2.20	0.70	15.15		67.95	79.91%	-3.24%	1.03%	22.30%	0.00%
1968-69	-27.10	1.20	-0.50	18.20		-8.20	330.49%	-14.63%	6.10%	-221.95%	0.00%
1969-70	159.20	0.15	-0.90	-1.70		156.75	101.56%	0.10%	-0.57%	-1.08%	0.00%
1970-71	-129.80	0.20	-0.50	190.40		60.30	-215.26%	0.33%	-0.83%	315.75%	0.00%
1971-72	60.70	1.10	1.00	-18.40		44.40	136.71%	2.48%	2.25%	-41.44%	0.00%
1972-73	-35.60	0.70	1.30	35.30		1.70	-2094.12%	41.18%	76.47%	2076.47%	0.00%
1973-74	119.80	3.50	0.40	2.60		126.30	94.85%	2.77%	0.32%	2.06%	0.00%
1974-75	69.50	4.90	0.50	96.20		171.10	40.62%	2.86%	0.29%	56.22%	0.00%
1975-76	860.70	2.10	2.30	126.20		991.30	86.83%	0.21%	0.23%	12.73%	0.00%
1976-77	1403.30		-11.70	49.40		1441.00	97.38%	0.00%	-0.81%	3.43%	0.00%
1977-78	1596.80		-7.00	245.60		1835.40	87.00%	0.00%	-0.38%	13.38%	0.00%
1978-79	741.20		24.10	489.70		1255.00	59.06%	0.00%	1.92%	39.02%	0.00%
1979-80	314.60		439.00	140.10		893.70	35.20%	0.00%	49.12%	15.68%	0.00%
1980-81	-273.00		-112.60	429.50		43.90	-621.87%	0.00%	-256.49%	978.36%	0.00%
1981-82	-1538.00		-86.00	215.00		-1409.00	109.16%	0.00%	6.10%	-15.26%	0.00%
1982-83	765.00		108.00	330.00		1203.00	63.59%	0.00%	8.98%	27.43%	0.00%
1983-84	824.00		-316.00	-238.00		270.00	305.19%	0.00%	-117.04%	-88.15%	0.00%
1984-85	972.00		-605.00	-95.00		272.00	357.35%	0.00%	-222.43%	-34.93%	0.00%
1985-86	-716.00		-636.00	-340.00		-1692.00	42.32%	0.00%	37.59%	20.09%	0.00%
1986-87	-803.00		-492.00	527.00		-768.00	104.56%	0.00%	64.06%	-68.62%	0.00%
1987-88	-850.00		-7.00	-380.00		-1237.00	68.71%	0.00%	0.57%	30.72%	0.00%
1988-89	-1484.00		25.00	-5.00		-1464.00	101.37%	0.00%	-1.71%	-0.34%	0.00%
1989-90	-1255.00		10.00	508.00		-737.00	170.28%	0.00%	-1.36%	-68.93%	0.00%
1990-91	-7381.00		16.00	581.00		-6784.00	108.80%	0.00%	-0.24%	-8.56%	0.00%

Sources :
RBI Bulletin - March 1967 and July 1969, August 1975
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10. Sectoral Wise Financial Flows of Rest of the World Sector (Uses Rs. IN Crores)

Period	Banking		OFI	PCB	Government	TOTAL LENDING		Banking Sector	OFI	PCB	Government
	Sector						USES				
1951-52	22.50			-1.00	60.10	81.60		27.57%	0.00%	-1.23%	73.65%
1952-53	-38.30			0.60	28.50	-9.20		416.30%	0.00%	-6.52%	-309.78%
1953-54	-16.20			2.80	1.80	-11.60		139.66%	0.00%	-24.14%	-15.52%
1954-55	-11.90			-8.00	98.30	94.40		-12.61%	0.00%	8.47%	104.13%
1955-56	-5.70	1.50		0.60	3.10	-0.50		1140.00%	-300.00%	-120.00%	-620.00%
1956-57	103.20			-4.00	15.10	114.30		90.29%	0.00%	-3.50%	13.21%
1957-58	118.50			39.20	78.40	236.10		50.19%	0.00%	16.60%	33.21%
1958-59	88.10			18.50	250.80	357.60		24.64%	0.06%	5.17%	70.13%
1959-60	67.10	0.20		0.70	171.50	241.40		27.80%	0.87%	0.29%	71.04%
1960-61	-123.00	2.10		6.60	458.30	343.20		-35.84%	0.38%	1.92%	133.54%
1961-62	13.80	2.40		9.50	309.10	334.80		4.12%	0.72%	2.84%	99.28%
1962-63	-13.40	5.30		10.80	373.30	376.00		-3.56%	1.41%	2.87%	92.32%
1963-64	-49.80	6.50		16.70	487.10	460.50		-10.81%	1.41%	3.63%	105.78%
1964-65	-42.70	7.50		11.70	540.90	517.40		-8.25%	1.45%	2.26%	104.54%
1965-66	39.80	10.40		13.30	609.90	673.40		5.91%	1.54%	1.98%	90.57%
1966-67	85.50	27.55		18.80	832.10	963.95		8.87%	2.86%	1.95%	86.32%
1967-68	61.60	1.75		3.80	780.80	847.95		7.26%	0.21%	0.45%	92.08%
1968-69	-11.50	-1.40		-12.70	515.30	489.70		-2.35%	-0.29%	-2.59%	105.23%
1969-70	-111.95	0.30		-26.30	504.10	366.15		-30.57%	0.08%	-7.18%	137.68%
1970-71	-29.20	8.90		-14.60	468.30	433.40		-6.74%	2.05%	-3.37%	108.05%
1971-72	41.50	12.30		-21.80	400.10	432.10		9.60%	2.85%	-5.05%	92.59%
1972-73	14.20	12.60		-13.20	301.90	315.50		4.50%	3.99%	-4.18%	95.69%
1973-74	152.50	16.40		-38.30	-1120.30	-989.70		-15.41%	-1.66%	3.87%	113.20%
1974-75	509.80	10.50		-29.00	716.60	1207.90		42.21%	0.87%	-2.40%	59.33%
1975-76	236.90	23.50		-48.40	129.50	341.50		69.37%	6.88%	-14.17%	37.92%
1976-77	-106.30	17.30		-84.50	412.90	239.40		-44.40%	7.23%	-35.30%	172.47%
1977-78	-173.40	18.00		-36.00	307.20	115.80		-149.74%	15.54%	-31.09%	265.28%
1978-79	122.30	9.40		-43.10	405.50	494.10		24.75%	1.90%	-8.72%	82.07%
1979-80	141.80	-1.90		-34.60	578.10	683.40		20.75%	-0.28%	-5.06%	84.59%
1980-81	1297.30	10.50		-30.50	581.10	1858.40		69.81%	0.57%	-1.64%	31.27%
1981-82	504.00	44.00		-18.00	774.00	1304.00		38.65%	3.37%	-1.38%	59.36%
1982-83	2079.00	68.00		-81.00	1014.00	3080.00		67.50%	2.21%	-2.63%	32.92%
1983-84	2408.00	95.00		-70.00	591.00	3024.00		79.63%	3.14%	-2.31%	19.54%
1984-85	409.00	299.00		-121.00	2214.00	2801.00		14.60%	10.67%	-4.32%	79.04%
1985-86	1417.00	518.00		8.00	3287.00	5230.00		27.09%	9.90%	0.15%	62.85%
1986-87	1512.00	916.00		23.00	4709.00	7160.00		21.12%	12.79%	0.32%	65.77%
1987-88	203.00	746.00		-511.00	4896.00	5334.00		3.81%	13.99%	-9.58%	91.79%
1988-89	1922.00	1361.00		-591.00	5706.00	8398.00		22.89%	16.21%	-7.04%	67.94%
1989-90	2133.00	1553.00		-575.00	6483.00	9594.00		22.23%	16.19%	-5.99%	67.57%
1990-91	1688.00	2612.00		1012.00	6873.00	12185.00		13.85%	21.44%	8.31%	56.41%

Sources : RBI Bulletin - March 1967 and July 1969, August 1975

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Period	Sectoral Wise Financial Flows of Household Sector (Uses Rs. IN Crores)					Percentage Share of Household sector lending to other sectors					
	Banking Sector	OFI	PCB	Government	R.O.W	TOTAL LENDING TOTAL USES	Banking Sector	OFI	PCB	Government	R.O.W
1951-52	-136.20	41.40	63.30	72.10	-6.70	33.90	-401.77%	122.12%	186.73%	212.68%	-19.76%
1952-53	15.40	54.50	38.60	-34.20	-1.50	72.80	21.15%	74.86%	53.02%	-46.98%	-2.06%
1953-54	61.50	84.50	44.50	-68.60	-5.20	116.70	52.70%	72.41%	38.13%	-58.78%	-4.46%
1954-55	152.80	95.30	-5.00	60.50	-3.80	299.80	50.97%	31.79%	-1.67%	20.18%	-1.27%
1955-56	301.40	92.80	116.90	65.60	-4.50	572.20	52.67%	16.22%	20.43%	11.46%	-0.79%
1956-57	176.30	95.00	58.70	103.10	-3.90	429.20	41.08%	22.13%	13.68%	24.02%	-0.91%
1957-58	196.80	109.10	46.20	20.50	-3.80	368.80	53.36%	29.58%	12.53%	5.56%	-1.03%
1958-59	238.50	129.60	14.40	55.80	-2.50	435.80	54.73%	29.74%	3.30%	12.80%	-0.57%
1959-60	326.50	134.20	60.70	40.10	-2.00	559.50	58.36%	23.99%	10.85%	7.17%	-0.36%
1960-61	195.50	165.20	-1.50	65.60	-1.50	423.30	46.18%	39.03%	-0.35%	15.50%	-0.35%
1961-62	313.30	146.40	108.60	62.70	-1.70	629.30	49.79%	23.26%	17.26%	9.96%	-0.27%
1962-63	368.90	179.50	82.20	78.80	0.90	710.30	51.94%	25.27%	11.57%	11.09%	0.13%
1963-64	527.00	195.00	149.30	117.90	0.90	988.10	53.33%	19.73%	15.11%	11.93%	-0.11%
1964-65	462.40	237.40	40.00	110.20	-1.40	848.60	54.49%	27.98%	4.71%	12.99%	-0.16%
1965-66	676.50	216.50	10.60	205.20	-1.40	1107.80	61.07%	19.54%	0.96%	18.52%	-0.09%
1966-67	554.50	283.70	107.60	187.90	-1.40	1133.70	48.91%	25.02%	9.49%	16.57%	0.00%
1967-68	588.40	326.00	-6.50	237.80	-1.40	1145.70	51.36%	28.45%	-0.57%	20.76%	0.00%
1968-69	697.40	374.90	42.60	193.30	-1.40	1308.20	53.31%	28.66%	3.26%	14.78%	0.00%
1969-70	872.30	417.50	71.20	175.50	-1.40	1536.50	56.77%	27.17%	4.63%	11.42%	0.00%
1970-71	1168.60	494.50	115.40	306.00	-1.40	2084.50	56.06%	23.72%	5.54%	14.68%	0.00%
1971-72	1335.10	555.60	182.90	215.10	-1.40	2288.70	58.33%	24.28%	7.99%	9.40%	0.00%
1972-73	1932.70	677.40	267.90	313.30	-1.40	3191.30	60.56%	21.23%	8.39%	9.82%	0.00%
1973-74	2114.80	741.30	374.00	377.10	-1.40	3607.20	58.63%	20.55%	10.37%	10.45%	0.00%
1974-75	1680.40	815.20	587.80	321.80	-1.40	3405.20	49.35%	23.94%	17.26%	9.45%	0.00%
1975-76	3250.10	1153.40	94.60	496.20	-1.40	4994.30	65.08%	23.09%	1.89%	9.94%	0.00%
1976-77	4855.10	1550.60	103.30	564.50	-1.40	7073.50	68.64%	21.92%	1.46%	7.98%	0.00%
1977-78	4122.80	1708.00	742.10	712.80	-1.40	7285.70	56.59%	23.44%	10.19%	9.78%	0.00%
1978-79	5389.00	2113.10	786.20	1101.10	-1.40	9389.40	57.39%	22.51%	8.37%	11.73%	0.00%
1979-80	2868.00	704.60	115.20	141.50	-1.40	3829.30	74.90%	18.40%	3.01%	3.70%	0.00%
1980-81	2408.30	86.30	119.00	184.50	-1.40	2798.10	86.07%	3.08%	4.25%	6.59%	0.00%
1981-82	6091.00	3155.00	1615.00	2758.00	-1.40	13619.00	44.72%	23.17%	11.86%	20.25%	0.00%
1982-83	8641.00	3264.00	1819.00	2604.00	-1.40	16328.00	52.92%	19.99%	11.14%	15.95%	0.00%
1983-84	10909.00	3857.00	583.00	3389.00	-1.40	18738.00	58.22%	20.58%	3.11%	18.09%	0.00%
1984-85	12894.00	4611.00	1278.00	4829.00	-1.40	23612.00	54.61%	19.53%	5.41%	20.45%	0.00%
1985-86	12682.00	5566.00	1916.00	5353.00	-1.40	25517.00	49.70%	21.81%	7.51%	20.98%	0.00%
1986-87	15686.00	7120.00	2235.00	6305.00	-1.40	31346.00	50.04%	22.71%	7.13%	20.11%	0.00%
1987-88	19232.00	8083.00	1261.00	7544.00	-1.40	36120.00	53.24%	22.38%	3.49%	20.89%	0.00%
1988-89	18724.00	10022.00	1607.00	9669.00	-1.40	40022.00	46.78%	25.04%	4.02%	24.16%	0.00%
1989-90	26192.00	14607.00	2082.00	11789.00	-1.40	54670.00	47.91%	26.72%	3.81%	21.56%	0.00%
1990-91	24077.00	18518.00	1718.00	13878.00	-1.40	58191.00	41.38%	31.82%	2.95%	23.85%	0.00%

Sources : RBI Bulletin - March 1967 and July 1969, August 1975

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Flow of funds January 1992 and June 1993

12. Sectoral Wise Financial Flows of Household Sector (Sources Rs. IN Crores)

Period	Percentage Share of Household borrowing to other sectors				
	Banking	OFI	PCB	Government	Government
	Banking	OFI	PCB	Government	Government
TOTAL BORROWING					
TOTAL SOURCES					
1951-52	31.60	8.70	-4.50	22.50	58.30
1952-53	-11.80	7.20	-18.30	18.10	-4.80
1953-54	23.80	5.90	6.80	64.20	245.83%
1954-55	32.10	7.70	-3.00	14.30	37.07%
1955-56	95.60	5.90	2.50	30.80	62.82%
1956-57	85.90	-2.30	-16.30	17.60	70.92%
1957-58	34.30	4.00	-30.90	42.10	101.18%
1958-59	73.30	3.00	-30.40	34.70	81.47%
1959-60	110.50	-2.10	-21.70	34.10	91.63%
1960-61	85.90	0.90	178.40	26.00	3.75%
1961-62	81.00	11.30	-7.20	43.50	-1.86%
1962-63	124.50	2.80	59.30	308.70	0.29%
1963-64	190.80	12.00	22.90	133.50	8.46%
1964-65	112.20	11.40	72.30	229.00	60.67%
1965-66	150.00	15.00	-9.70	267.70	54.37%
1966-67	231.70	21.90	29.00	246.30	71.27%
1967-68	169.10	27.80	9.20	302.60	47.36%
1968-69	469.90	26.80	16.60	521.00	60.90%
1969-70	608.40	32.60	20.20	701.30	63.58%
1970-71	504.30	40.10	-24.60	597.30	55.88%
1971-72	361.90	40.10	23.90	561.80	90.19%
1972-73	600.50	42.60	10.90	752.00	9.14%
1973-74	701.60	44.10	36.30	889.60	5.14%
1974-75	576.10	79.40	26.40	773.00	86.75%
1975-76	938.50	79.90	137.30	1178.20	84.43%
1976-77	1531.10	241.10	19.00	1940.00	79.85%
1977-78	1311.50	124.10	66.40	1640.60	78.87%
1978-79	2125.50	496.90	122.70	2948.90	74.53%
1979-80	2868.00	704.60	115.20	3829.30	10.27%
1980-81	2408.30	86.30	119.00	2798.10	6.78%
1981-82	3507.00	215.00	134.00	4004.00	12.43%
1982-83	2946.00	350.00	103.00	3533.00	79.94%
1983-84	4705.00	462.00	64.00	5434.00	72.08%
1984-85	5002.00	420.00	100.00	5719.00	74.90%
1985-86	6044.00	646.00	89.00	6982.00	86.07%
1986-87	5890.00	522.00	109.00	6726.00	87.59%
1987-88	8158.00	555.00	226.00	9286.00	83.39%
1988-89	11275.00	713.00	-245.00	12700.00	3.08%
1989-90	10807.00	1029.00	276.00	12841.00	8.50%
1990-91	8480.00	1348.00	260.00	11341.00	7.34%

Sources : RBI Bulletin - March 1967 and July 1969, August 1975

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13. Instrument Wise Financial Flows of Banking Sector (Uses Rs. IN Crores)

	CURRENCY INVESTMENT			LOANS			FCNEC			OINEC			TOTAL			CURRENCY INVESTMENT			LOANS & DEPOSITS			CLAIMS CF.			OTHER ITEM		
	DEPOSITS			ADV.			FCNEC			OINEC			TOTAL			DEPOSITS			& DEPOSITS			N.E. CF.			N.E. CF.		
1951-52	14.60	12.50	1.60	57.70	10.70	57.70	10.70						84.60	17.26%	1.89%	68.20%	12.65%	0.00%									
1952-53	12.50	9.20	0.20	-34.50	-0.10	-34.50	-0.10						-21.90	-57.08%	-0.91%	157.53%	0.46%	0.00%									
1953-54	11.30	6.30	6.30	20.90	3.90	20.90	3.90						42.40	26.65%	14.86%	49.29%	9.20%	0.00%									
1954-55	8.80	96.70	71.20	71.20	0.80	71.20	0.80						177.50	4.96%	54.48%	40.11%	0.45%	0.00%									
1955-56	8.80	182.80	150.50	150.50	10.50	150.50	10.50						344.50	0.20%	53.06%	43.69%	3.05%	0.00%									
1956-57	19.10	267.40	192.90	192.90	32.50	192.90	32.50						511.90	3.73%	52.24%	37.68%	6.35%	0.00%									
1957-58	6.80	499.70	132.40	132.40	-7.60	132.40	-7.60						631.30	1.08%	79.15%	20.97%	-1.20%	0.00%									
1958-59	1.40	324.20	104.20	104.20	-18.60	104.20	-18.60						411.20	0.34%	78.84%	25.34%	-4.52%	0.00%									
1959-60	-4.60	308.00	185.80	185.80	-20.10	185.80	-20.10						541.60	-0.85%	56.87%	34.31%	9.68%	0.00%									
1960-61	-5.20	250.00	272.80	272.80	-20.10	272.80	-20.10						497.50	-1.05%	50.25%	54.83%	-4.04%	0.00%									
1961-62	-4.00	219.40	211.90	211.90	-87.30	211.90	-87.30						340.00	-1.18%	64.53%	62.32%	-25.68%	0.00%									
1962-63	-0.20	271.30	221.60	221.60	13.80	221.60	13.80						506.50	-0.04%	53.56%	43.75%	2.72%	0.00%									
1963-64	-0.60	289.40	236.70	236.70	12.30	236.70	12.30						537.90	-0.11%	53.80%	44.00%	2.29%	0.02%									
1964-65	-7.30	339.70	286.70	286.70	-6.30	286.70	-6.30						614.90	-1.19%	55.24%	46.63%	-1.02%	0.34%									
1965-66	-9.30	413.60	279.50	279.50	-6.90	279.50	-6.90						679.70	-1.37%	60.85%	41.12%	-1.02%	0.41%									
1966-67	-13.00	466.60	313.40	313.40	-8.80	313.40	-8.80						761.40	-1.71%	61.28%	41.16%	-1.16%	0.42%									
1967-68	0.90	290.90	583.00	583.00	-11.40	583.00	-11.40						912.20	0.10%	31.89%	63.91%	-1.25%	5.35%									
1968-69	0.40	354.70	801.20	801.20	-24.40	801.20	-24.40						1111.30	0.04%	31.92%	72.10%	-2.20%	-1.85%									
1969-70	-10.20	458.70	697.90	697.90	14.90	697.90	14.90						1180.20	-0.86%	38.87%	59.13%	1.26%	1.60%									
1970-71	-11.30	436.80	1203.20	1203.20	-16.60	1203.20	-16.60						1653.70	-0.68%	26.41%	72.76%	-1.00%	2.52%									
1971-72	-13.50	950.00	1177.60	1177.60	38.60	1177.60	38.60						2210.50	-0.61%	42.98%	53.27%	1.75%	2.61%									
1972-73	8.90	1023.10	1245.30	1245.30	-17.50	1245.30	-17.50						2328.30	0.38%	43.94%	53.49%	-0.75%	2.94%									
1973-74	5.30	1135.70	2091.50	2091.50	16.30	2091.50	16.30						3326.10	0.16%	34.15%	62.88%	0.49%	2.32%									
1974-75	-4.80	1835.90	2189.70	2189.70	9.50	2189.70	9.50						4095.60	-0.12%	44.83%	53.46%	0.23%	1.59%									
1975-76	7.30	1940.10	2735.40	2735.40	4.90	2735.40	4.90						4777.20	0.15%	40.61%	57.26%	0.10%	1.87%									
1976-77	7.00	2395.30	3097.40	3097.40	3.70	3097.40	3.70						5576.20	0.13%	42.96%	55.55%	0.07%	1.31%									
1977-78	-7.30	6402.90	2298.40	2298.40	46.80	2298.40	46.80						8734.90	-0.08%	73.30%	26.31%	0.54%	-0.07%									
1978-79	31.50	1454.40	3859.60	3859.60	-7.20	3859.60	-7.20						5367.60	0.59%	27.10%	71.91%	-0.13%	0.55%									
1979-80	29.20	4501.60	5148.10	5148.10	-5.90	5148.10	-5.90						9728.50	0.30%	46.27%	52.92%	-0.06%	0.57%									
1980-81	5.00	5854.70	5409.30	5409.30	3.30	5409.30	3.30						11256.80	0.04%	52.01%	48.05%	0.03%	-0.14%									
1981-82	-6.00	3282.00	6742.00	6742.00	28.00	6742.00	28.00						10815.00	-0.06%	30.35%	62.34%	0.26%	7.11%									
1982-83	19.00	11704.00	8096.00	8096.00	169.00	8096.00	169.00						20336.00	0.09%	57.55%	39.81%	0.83%	5.35%									
1983-84	-4.00	4723.00	8363.00	8363.00	221.00	8363.00	221.00						14055.00	-0.03%	33.60%	59.50%	1.57%	4.16%									
1984-85	18.00	12261.00	9374.00	9374.00	821.70	9374.00	821.70						23450.60	0.08%	52.28%	39.97%	3.50%	3.63%									
1985-86	80.00	12336.00	7976.00	7976.00	179.00	7976.00	179.00						21345.00	0.37%	57.79%	37.37%	0.84%	7.09%									
1986-87	15.00	16199.00	9234.00	9234.00	-107.00	9234.00	-107.00						27275.00	0.05%	59.39%	33.86%	-0.39%	0.29%									
1987-88	29.00	14782.00	11225.00	11225.00	-385.00	11225.00	-385.00						25726.00	0.11%	57.46%	43.63%	-1.50%	0.47%									
1988-89	57.00	15421.00	19137.00	19137.00	165.00	19137.00	165.00						34860.00	0.16%	44.24%	54.90%	0.47%	0.23%									
1989-90	-5.00	23752.00	21545.00	21545.00	-635.00	21545.00	-635.00						44739.00	-0.01%	53.09%	48.16%	-1.42%	0.18%									
1990-91	16.00	24728.00	19126.00	19126.00	-96.00	19126.00	-96.00						43839.00	0.04%	56.38%	43.61%	-0.22%	0.19%									
1991-92	162.00	20986.00	13203.00	13203.00	10274.00	13203.00	10274.00						44625.00	0.36%	47.03%	29.59%	23.02%	0.00%									

Sources: RBI Bulletin - March 1967 and July 1969, August 1975
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 Flow of funds January 1992 and June 1993

* FCNEC = FOREIGN CLAIMS NOT ELSEWHERE CLASSIFIED
 ** OINEC = OTHER ITEMS NOT ELSEWHERE CLASSIFIED

14. Instrument Wise Financial Flows of Banking Sector (Sources Rs. IN Crores)

	CURRENCY INVESTMENT & DEPOSIT	LOANS & ADVANCES	FCNEC	OITNEC	CD	TOTAL BORROWING	CURRENCY & DEPOSIT	INVESTMENT	LOANS & ADVANCES	FCNEC	OITNEC	CD
1951-52	-123.40	3.10	1.30	-6.70		-95.30	129.49%	-3.25%	-1.36%	-31.90%	7.03%	0.00%
1952-53	-44.10	3.10	-0.60	2.70		-40.40	58.26%	-4.10%	0.79%	48.61%	-3.57%	0.00%
1953-54	31.70	2.50	0.10	-2.90		28.90	109.69%	8.65%	-7.70%	-8.65%	-10.03%	0.00%
1954-55	158.00	4.00	2.50	0.90		175.10	90.23%	2.28%	1.43%	5.54%	0.51%	0.00%
1955-56	305.30	7.10	2.90	19.40		335.20	91.08%	2.12%	0.87%	0.15%	5.79%	0.00%
1956-57	238.20	5.80	3.90	17.20		267.70	88.98%	2.17%	1.46%	0.97%	6.43%	0.00%
1957-58	330.30	20.70	0.30	9.30		339.90	97.18%	6.09%	0.09%	-6.09%	2.74%	0.00%
1958-59	352.00	18.70	1.00	0.20		373.50	94.24%	5.01%	0.27%	0.43%	0.05%	0.00%
1959-60	398.90	20.90	3.20	38.90		462.90	86.17%	4.52%	0.69%	0.22%	8.40%	0.00%
1960-61	99.00	21.60	4.40	-24.00		102.90	96.21%	20.99%	4.28%	1.85%	-23.32%	0.00%
1961-62	305.90	30.60	3.80	6.50		344.70	88.74%	8.88%	1.10%	1.89%	1.89%	0.00%
1962-63	340.20	39.40	10.70	18.50		425.50	79.95%	9.26%	2.51%	3.92%	4.35%	0.00%
1963-64	365.30	41.60	13.80	25.60		455.60	80.18%	9.13%	3.03%	2.04%	5.62%	0.00%
1964-65	420.60	49.30	16.30	27.30		507.10	82.94%	9.72%	3.21%	-1.26%	5.38%	0.00%
1965-66	53.90	53.90	19.20	30.20		674.10	83.76%	8.00%	2.85%	0.92%	4.48%	0.00%
1966-67	674.00	57.60	21.70	32.20		791.70	85.13%	7.28%	2.74%	0.78%	4.07%	0.00%
1967-68	742.90	77.80	-12.20	-26.20		785.70	94.55%	9.90%	-1.55%	0.43%	-3.33%	0.00%
1968-69	845.60	109.30	-6.30	59.10		1008.50	83.85%	10.84%	-0.62%	0.08%	5.86%	0.00%
1969-70	942.80	124.30	2.80	-30.10		1035.40	91.06%	12.01%	0.27%	-0.42%	-2.91%	0.00%
1970-71	1401.70	140.30	21.30	101.00		1663.70	1986.80	8.43%	1.28%	-0.04%	6.07%	0.00%
1971-72	1483.70	136.30	29.80	339.80		1986.80	74.68%	6.86%	1.50%	-0.14%	17.10%	0.00%
1972-73	1489.50	139.40	49.50	372.80		2036.30	73.15%	6.85%	2.43%	-0.73%	18.31%	0.00%
1973-74	1493.90	151.50	49.50	386.50		2151.00	69.45%	7.04%	1.83%	3.71%	17.97%	0.00%
1974-75	1489.30	175.40	-19.60	39.30		2173.90	68.51%	8.07%	-0.90%	5.02%	17.91%	0.00%
1975-76	5181.50	275.30	45.90	412.50		6227.90	83.20%	4.73%	0.74%	5.02%	6.62%	0.00%
1976-77	5231.00	264.40	-74.00	445.60		5589.00	93.59%	4.73%	-1.32%	10.97%	-7.97%	0.00%
1977-78	7506.10	180.00	-219.00	673.10		8955.90	83.81%	2.01%	-2.45%	7.52%	8.95%	0.16%
1978-79	5153.00	186.00	10.70	801.40	14.30	8955.90	106.87%	3.86%	0.22%	-2.66%	-1.73%	-6.56%
1979-80	7194.90	189.70	264.50	-83.40	-316.20	8821.90	87.52%	2.31%	3.22%	5.65%	3.82%	-2.52%
1980-81	8677.90	299.90	653.30	314.30	-207.00	8220.80	76.40%	2.64%	5.75%	3.56%	12.47%	-0.82%
1981-82	6443.00	231.00	903.00	1415.90	-93.60	11357.90	68.78%	2.47%	9.64%	0.77%	18.13%	0.21%
1982-83	14255.00	393.00	3458.00	1528.00	20.00	9367.00	68.78%	2.01%	17.70%	-0.76%	7.82%	0.25%
1983-84	9810.00	325.00	1790.00	1536.00	82.00	14304.80	68.58%	2.27%	12.51%	5.33%	10.74%	0.57%
1984-85	1654.00	309.00	698.00	3818.00	63.00	22015.10	75.19%	1.40%	3.17%	2.60%	17.34%	0.29%
1985-86	15854.00	450.00	420.00	4023.00	94.00	21149.00	74.96%	2.13%	1.99%	1.46%	19.02%	0.44%
1986-87	21706.00	674.00	-395.00	3487.00	-309.00	24930.10	87.07%	2.70%	0.16%	-0.93%	13.99%	-1.24%
1987-88	21862.00	723.00	40.00	2956.00	-50.00	25122.00	87.02%	2.88%	0.16%	-1.63%	11.77%	-0.20%
1988-89	28490.00	485.00	721.00	4718.00	-257.00	34235.00	83.22%	1.42%	2.11%	0.23%	13.78%	-0.75%
1989-90	35853.00	872.00	1522.00	3612.00	-142.00	41674.00	86.03%	2.09%	3.65%	-0.10%	8.67%	-0.34%
1990-91	33583.00	1789.00	5520.00	-78.00	-136.00	38047.00	88.27%	4.70%	14.51%	-0.21%	-6.92%	-0.36%
1991-92	40720.00	1421.00	2166.00	90.00	-103.00	44341.00	91.83%	3.20%	4.88%	0.11%	0.20%	-0.23%

Sources:
RBI Bulletin—March 1967 and July 1969, August 1975
March 1980

Flow of funds January 1997 and June 1993

* FCNEC = FOREIGN CLAIMS NOT ELSEWHERE CLASSIFIED
** OITNEC = OTHER ITEMS NOT ELSEWHERE CLASSIFIED
*** CD = COMPULSORY DEPOSIT

16. Instrument Wise Financial Flows of OFI (Uses Rs. IN Crores)

	CURRENCY & DEPOSITS	LOANS & ADVANCES	INVESTMENT	MISCE- LLANEOUS	TOTAL	CURRENCY & DEPOSITS	LOANS & ADVANCES	INVESTMENT	MISCE- LLANEOUS
1951-52	4.00	10.10	29.20		43.30	9.24%	23.33%	67.44%	0.00%
1952-53	1.60	9.30	47.80		58.70	2.73%	15.84%	81.43%	0.00%
1953-54	1.10	8.50	83.10		92.70	1.19%	9.17%	89.64%	0.00%
1954-55	4.30	9.80	78.10		92.20	4.66%	10.63%	84.71%	0.00%
1955-56	7.70	8.00	95.90		111.60	6.90%	7.17%	85.93%	0.00%
1956-57	1.40	6.60	100.50		108.50	1.29%	6.08%	92.63%	0.00%
1957-58	19.80	11.70	91.10	-5.60	117.00	16.92%	10.00%	77.86%	-4.79%
1958-59	-3.30	10.00	122.10	0.30	129.10	-2.56%	7.75%	94.58%	0.23%
1959-60	7.30	17.20	103.30	1.90	129.70	5.63%	13.26%	79.65%	1.46%
1960-61	-12.30	23.20	160.20	-5.20	165.90	-7.41%	13.98%	96.56%	-3.13%
1961-62	6.20	37.40	148.50	4.00	196.10	3.16%	19.07%	75.73%	2.04%
1962-63	-5.70	57.20	197.80	-7.00	242.30	-2.35%	23.61%	81.63%	-2.89%
1963-64	12.30	53.20	204.80	-11.00	259.30	4.74%	20.52%	78.98%	-4.24%
1964-65	14.50	46.60	211.30	-9.50	262.90	5.52%	17.73%	80.37%	-3.61%
1965-66	13.70	109.30	239.40	-13.50	348.90	3.93%	31.33%	68.62%	-3.87%
1966-67	21.90	176.60	218.80	5.60	422.90	5.18%	41.76%	51.74%	1.32%
1967-68	62.10	127.60	210.50	-7.30	392.90	15.81%	32.48%	53.58%	-1.86%
1968-69	41.40	131.90	255.70	-4.90	424.10	9.76%	31.10%	60.29%	-1.16%
1969-70	28.40	130.60	360.60	-11.90	507.70	5.59%	25.72%	71.03%	-2.34%
1970-71	64.80	195.00	377.10	-4.90	632.00	10.25%	30.85%	59.67%	-0.78%
1971-72	49.00	223.10	469.80	-19.30	722.60	6.78%	30.87%	65.02%	-2.67%
1972-73	55.60	244.50	503.40	-13.40	790.10	7.04%	30.95%	63.71%	-1.70%
1973-74	116.30	375.50	579.30	-7.50	1063.60	10.93%	35.30%	54.47%	-0.71%
1974-75	198.50	589.30	671.30	21.50	1480.60	13.41%	39.80%	45.34%	1.45%
1975-76	207.50	799.40	921.50	14.30	1942.70	10.68%	41.15%	47.43%	0.74%
1976-77	212.00	999.90	1064.20	39.40	2315.50	9.16%	43.18%	45.96%	1.70%
1977-78	315.10	1031.90	1180.10	85.40	2612.50	12.06%	39.50%	45.17%	3.27%
1978-79	578.80	1495.30	1240.60	67.30	3382.00	17.11%	44.21%	36.68%	1.99%
1979-80	700.30	1627.30	1357.70	117.00	4017.80	12.26%	51.04%	33.79%	2.91%
1980-81	905.00	2347.00	2289.00	279.00	5820.00	17.88%	41.55%	37.72%	2.85%
1981-82	1600.00	4114.00	2347.00	125.00	8186.00	15.55%	50.26%	39.33%	4.79%
1982-83	1177.00	3037.00	3480.00	208.00	7902.00	14.89%	38.43%	28.67%	1.53%
1983-84	1750.00	3253.00	3324.00	299.00	8626.00	20.29%	37.71%	38.53%	2.63%
1984-85	1709.00	4953.00	4017.00	238.00	10917.00	20.74%	35.35%	35.23%	3.47%
1985-86	2832.00	5374.00	4812.00	640.00	13658.00	15.65%	45.37%	36.80%	2.18%
1986-87	3509.00	7782.00	5096.00	880.00	17267.00	20.32%	45.07%	29.51%	4.69%
1987-88	7913.00	11087.00	6519.00	944.00	26463.00	29.90%	41.90%	24.63%	5.10%
1988-89	8491.00	11282.00	8021.00	608.00	28402.00	29.90%	29.90%	28.24%	3.57%
1989-90	7034.00	16831.00	11473.00	1547.00	36885.00	19.07%	45.63%	31.10%	2.14%
1990-91	11004.00	11905.00	15172.00	4016.00	42097.00	26.14%	28.28%	36.04%	4.19%
1991-92									9.54%

Sources :

RBI Bulletin - March 1967 and July 1969, August 1975

March 1980

Flow of funds January 1992 and June 1993

17. Instrument Wise Financial Flows of Private corporate Business sector (Uses Rs. IN Crores)

	CASH IN HAND	BANK BALANCE	FIXED DEPOSIT	LOANS & ADVANCES	INVESTMENT	MISCE- LLANEOUS	TOTAL	CASH IN HAND	BANK BALANCE	FIXED DEPOSIT	LOANS & ADVANCES	INVESTMENT	MISCE- LLANEOUS
1951-52		9.30		2.10	2.90	1.80	16.10	0.00%	57.76%	0.00%	13.04%	18.01%	11.18%
1952-53		3.50		1.80	7.70	2.00	15.00	0.00%	23.33%	0.00%	12.00%	51.33%	13.33%
1953-54		14.80		0.90	5.00	-0.40	20.30	0.00%	72.91%	0.00%	4.43%	24.63%	-1.97%
1954-55		8.70		0.40	6.90	-1.00	15.00	0.00%	58.00%	0.00%	0.00%	46.00%	-6.67%
1955-56		19.70	10.60	2.90	-13.60	1.70	10.70	0.00%	184.11%	0.00%	27.10%	-127.10%	15.89%
1956-57		7.60	4.30	4.30	-3.60	4.20	25.00	7.60%	41.78%	42.40%	17.20%	-14.40%	16.80%
1957-58	1.90	-9.40		0.20	-7.80	-1.40	-22.50	-5.33%	45.24%	23.56%	-0.89%	34.67%	6.22%
1958-59	1.20	3.80	11.20	2.10	-6.60	-0.50	8.40	-19.05%	74.39%	133.33%	25.00%	-78.57%	-5.95%
1959-60	3.00	30.50		3.90	3.30	0.30	41.00	7.32%	8.78%	0.00%	9.51%	8.05%	0.73%
1960-61	7.30	-4.60	28.60	6.00	48.10	-2.30	83.10	8.78%	-5.54%	34.42%	7.22%	57.88%	-2.77%
1961-62	2.70	16.30	13.60	6.80	-17.20	5.20	27.40	9.85%	59.49%	49.64%	24.82%	38.59%	18.98%
1962-63	5.00	-1.90	11.60	8.20	15.90	2.40	41.20	12.14%	-4.61%	28.16%	19.90%	5.83%	5.83%
1963-64	4.30	8.40	17.10	10.10	-9.50	-3.20	27.20	15.81%	30.88%	62.87%	37.13%	-34.93%	-11.76%
1964-65	3.70	3.80	9.30	11.20	6.30	2.70	37.00	10.00%	10.27%	25.14%	30.27%	17.03%	7.30%
1965-66	3.90	-3.10	13.60	13.10	5.80	3.10	36.40	10.71%	-8.52%	37.36%	35.99%	15.93%	8.52%
1966-67	2.80	15.50	-6.80	29.00	-2.30	2.90	41.10	6.81%	37.71%	-16.55%	70.56%	-5.60%	7.06%
1967-68	5.40	-2.80	14.50	9.20	4.60	-0.40	3.80	142.11%	-73.68%	-321.05%	242.11%	121.05%	-10.33%
1968-69	9.80	27.40	20.20	16.60	-2.30	-0.90	65.10	15.05%	42.09%	22.27%	25.50%	-3.53%	-1.38%
1969-70	7.00	11.00	20.20	20.20	-3.30	-3.30	51.80	13.51%	21.24%	39.00%	39.00%	-6.37%	-6.37%
1970-71	7.80	16.50	19.80	-35.80	5.20	0.60	14.10	55.32%	117.02%	140.43%	-253.90%	36.88%	4.26%
1971-72	8.30	33.90	17.00	19.20	12.00	-3.20	87.20	9.52%	38.88%	19.50%	22.02%	13.76%	-3.67%
1972-73	8.40	32.90	30.50	24.60	-2.30	-8.30	85.80	9.79%	38.34%	35.55%	28.67%	-2.68%	-9.67%
1973-74	8.90	34.80	35.90	49.50	7.50	0.10	136.70	6.51%	25.46%	26.26%	36.21%	5.49%	0.07%
1974-75	9.30	-11.30	80.60	97.20	14.90	-13.80	176.90	5.26%	-6.39%	45.56%	54.95%	8.42%	-7.80%
1975-76	9.40	16.80	103.50	109.30	9.20	-24.00	224.20	4.19%	7.49%	46.16%	48.75%	4.10%	-10.70%
1976-77	11.10	8.20	153.30	152.20	2.50	-45.80	281.50	3.94%	2.91%	54.46%	54.07%	0.89%	-16.27%
1977-78	29.50	90.90	304.50	260.70	31.60	-1.10	716.10	4.12%	12.69%	42.52%	36.41%	4.41%	-0.15%
1978-79	49.20	22.60	79.70	360.60	34.20	-6.70	539.60	9.12%	4.19%	14.77%	66.83%	6.34%	-1.24%
1979-80	27.30	58.80	270.10	495.90	16.90	7.20	876.20	3.12%	6.71%	30.83%	56.60%	1.93%	0.82%
1980-81	10.60	89.50	317.70	427.60	44.00	55.00	944.40	1.12%	9.48%	33.64%	45.28%	4.66%	5.82%
1981-82	55.00	-43.00	645.00	864.00	62.00	-31.00	1552.00	3.54%	-5.28%	-2.77%	55.67%	3.99%	-2.00%
1982-83	85.00	-77.00	521.00	858.00	70.00	1.00	1458.00	5.83%	-3.37%	35.73%	58.85%	4.80%	0.07%
1983-84	39.00	60.00	720.00	821.00	119.00	20.00	1779.00	2.19%	3.37%	40.47%	46.15%	6.69%	1.12%
1984-85	93.00	-20.00	597.00	1320.00	415.00	-6.00	2399.00	3.88%	-0.36%	24.89%	55.02%	17.30%	-0.25%
1985-86	163.00	-12.00	1015.00	1590.00	563.00	11.00	3330.00	4.89%	-0.36%	30.48%	47.75%	16.91%	0.33%
1986-87	159.00	40.00	987.00	1720.00	471.00	22.00	3399.00	4.68%	1.18%	29.04%	50.60%	13.86%	0.65%
1987-88	134.00	55.00	253.00	2087.00	246.00	32.00	2807.00	4.77%	1.96%	9.01%	74.35%	8.76%	1.14%
1988-89	119.00	180.00	1697.00	608.00	608.00	24.00	5731.00	2.08%	3.14%	29.61%	54.14%	10.61%	0.42%
1989-90	218.00	223.00	2332.00	4602.00	544.00	23.00	7942.00	2.74%	2.81%	29.36%	57.95%	8.05%	0.29%
1990-91	221.00	156.00	2305.00	4358.00	619.00	26.00	7685.00	2.88%	2.03%	29.99%	56.71%	8.05%	0.34%
1991-92	96.00	73.00	4920.00	8557.00	1706.00	547.00	15899.00	0.60%	0.46%	30.95%	53.82%	10.73%	3.44%

Sources :
RBI Bulletin—March 1967 and July 1969, August 1975
March 1980
Flow of funds January 1992 and June 1993

19. Instrument Wise Government Sector flows (Sources Rs. IN Crores)

	GOVT.				GOVT.				GOVT.				GOVT.			
	SECURITIES BORROWING				SECURITIES BORROWING				SECURITIES BORROWING				SECURITIES BORROWING			
	OTHER THAN	TREASURY	BILLS	SAVINGS	OTHER THAN	TREASURY	BILLS	SAVINGS	OTHER THAN	TREASURY	BILLS	SAVINGS	OTHER THAN	TREASURY	BILLS	SAVINGS
	PAID UP	ONE RUPEE	AND COINS	CAPITAL	PAID UP	ONE RUPEE	AND COINS	CAPITAL	PAID UP	ONE RUPEE	AND COINS	CAPITAL	PAID UP	ONE RUPEE	AND COINS	CAPITAL
1951-52	-0.20	61.30	-13.50	37.50	3.40	88.80	-0.23%	69.03%	-15.20%	42.23%	3.83%	0.34%	-15.20%	42.23%	3.83%	0.34%
1952-53	13.30	54.20	13.40	39.70	1.30	122.90	10.82%	44.10%	10.90%	32.30%	1.06%	0.81%	10.90%	32.30%	1.06%	0.81%
1953-54	8.70	-9.50	-13.30	39.70	-18.70	7.40	117.57%	-128.38%	-179.73%	536.49%	-252.70%	6.76%	-179.73%	536.49%	-252.70%	6.76%
1954-55	222.10	-6.50	99.70	55.40	4.00	375.00	59.23%	0.30	26.59%	14.77%	1.07%	0.08%	26.59%	14.77%	1.07%	0.08%
1955-56	250.60	0.40	136.20	67.50	8.20	463.10	54.11%	0.20	29.41%	14.58%	1.77%	0.04%	29.41%	14.58%	1.77%	0.04%
1956-57	325.70	22.20	206.80	62.00	13.70	629.50	51.74%	-0.90	32.85%	14.58%	2.18%	-0.14%	32.85%	14.58%	2.18%	-0.14%
1957-58	340.90	92.30	485.60	69.30	5.60	993.50	34.31%	-0.20	48.88%	6.98%	0.56%	-0.02%	48.88%	6.98%	0.56%	-0.02%
1958-59	390.30	206.60	-103.40	80.20	4.60	578.30	67.49%		-17.88%	13.87%	0.80%	0.00%	-17.88%	13.87%	0.80%	0.00%
1959-60	429.50	176.80	130.00	85.30	5.60	827.20	51.92%		15.72%	10.31%	0.68%	0.00%	15.72%	10.31%	0.68%	0.00%
1960-61	44.00	257.00	-159.60	106.60	9.10	257.10	17.11%		-62.08%	41.46%	3.54%	0.00%	-62.08%	41.46%	3.54%	0.00%
1961-62	264.40	291.90	83.70	85.00	13.30	738.30	35.81%		11.34%	11.51%	1.80%	0.00%	11.34%	11.51%	1.80%	0.00%
1962-63	321.80	320.90	100.60	75.80	10.60	829.70	38.79%		12.12%	9.14%	1.28%	0.00%	12.12%	9.14%	1.28%	0.00%
1963-64	378.50	380.80	135.60	80.90	12.60	988.40	38.29%		13.72%	8.18%	1.27%	0.00%	13.72%	8.18%	1.27%	0.00%
1964-65	498.30	436.30	207.50	95.30	14.50	1271.90	39.18%		16.31%	7.49%	1.14%	0.00%	16.31%	7.49%	1.14%	0.00%
1965-66	513.90	598.30	301.50	106.50	9.30	1529.50	33.60%		19.71%	6.96%	0.61%	0.00%	19.71%	6.96%	0.61%	0.00%
1966-67	617.80	748.80	372.20	144.20	6.50	1889.50	32.70%		19.70%	7.63%	0.34%	0.00%	19.70%	7.63%	0.34%	0.00%
1967-68	364.00	795.00	118.00	156.00	5.30	1438.30	25.31%		8.20%	10.85%	0.37%	0.00%	8.20%	10.85%	0.37%	0.00%
1968-69	441.30	766.10	195.10	112.80	19.70	1535.00	28.75%		12.71%	7.35%	1.28%	0.00%	12.71%	7.35%	1.28%	0.00%
1969-70	322.10	423.60	-34.00	93.40	7.70	812.80	39.63%		-4.18%	11.49%	0.95%	0.00%	-4.18%	11.49%	0.95%	0.00%
1970-71	753.30	845.00	335.40	168.50	11.00	2115.20	33.71%		15.86%	7.97%	0.52%	0.00%	15.86%	7.97%	0.52%	0.00%
1971-72	801.90	799.50	303.40	200.40	11.00	2116.20	37.89%		14.34%	9.47%	0.52%	0.00%	14.34%	9.47%	0.52%	0.00%
1972-73	912.30	912.30	314.50	392.30	11.00	2544.90	35.85%	2.50	12.36%	15.42%	0.43%	0.10%	12.36%	15.42%	0.43%	0.10%
1973-74	1106.90	1125.30	715.30	458.90	13.30	3421.80	32.35%	2.10	20.90%	13.41%	0.39%	0.06%	20.90%	13.41%	0.39%	0.06%
1974-75	1109.70	1615.50	-412.30	476.30	15.20	2805.40	36.37%	1.00	-14.70%	16.98%	0.54%	0.04%	-14.70%	16.98%	0.54%	0.04%
1975-76	1123.90	1835.10	-379.50	496.30	18.40	3090.30	36.37%	-3.90	-12.28%	16.06%	0.60%	-0.13%	-12.28%	16.06%	0.60%	-0.13%
1976-77	1147.80	2081.80	-382.70	396.80	21.70	3262.50	33.18%	-2.90	-11.73%	12.16%	0.67%	-0.09%	-11.73%	12.16%	0.67%	-0.09%
1977-78	1454.20	895.10	3184.80	543.70	15.70	6094.50	23.86%	1.00	52.26%	8.92%	0.26%	0.02%	52.26%	8.92%	0.26%	0.02%
1978-79	1819.20	1137.60	-1218.50	844.20	34.40	2620.60	69.42%	3.70	-46.50%	32.21%	1.31%	0.14%	-46.50%	32.21%	1.31%	0.14%
1979-80	2166.20	1537.00	2419.20	1100.30	15.30	2620.60	29.91%	5.50	33.40%	15.19%	0.21%	0.08%	33.40%	15.19%	0.21%	0.08%
1980-81	2853.70	2371.50	3455.80	1123.90	17.40	9829.70	29.03%	8.00	35.16%	11.43%	0.18%	0.05%	35.16%	11.43%	0.18%	0.05%
1981-82	3281.00	3181.00	1247.00	1399.00	19.00	9135.00	35.92%	8.00	13.65%	15.31%	0.21%	0.09%	13.65%	15.31%	0.21%	0.09%
1982-83	4156.00	3325.00	6970.00	1722.00	18.00	16219.00	25.62%	28.00	42.97%	10.62%	0.11%	0.17%	42.97%	10.62%	0.11%	0.17%
1983-84	4584.00	3682.00	-1396.00	2409.00	26.00	9317.00	49.20%	12.00	-14.98%	25.86%	0.28%	0.13%	-14.98%	25.86%	0.28%	0.13%
1984-85	4877.00	5471.00	3569.00	3650.00	53.00	17659.00	27.62%	39.00	20.21%	20.67%	0.30%	0.22%	20.21%	20.67%	0.30%	0.22%
1985-86	5887.00	3719.00	5182.00	4292.00	5.00	19305.00	30.49%	5.00	26.84%	22.23%	1.14%	0.03%	26.84%	22.23%	1.14%	0.03%
1986-87	6754.00	3991.00	5796.00	4753.00	201.00	21511.00	31.40%	16.00	26.94%	22.10%	0.93%	0.07%	26.94%	22.10%	0.93%	0.07%
1987-88	7358.00	4790.00	6031.00	3633.00	188.00	22029.00	33.40%	29.00	27.38%	16.49%	0.85%	0.13%	27.38%	16.49%	0.85%	0.13%
1988-89	10161.00	5398.00	5398.00	5475.00	118.00	31591.00	32.86%	58.00	17.09%	17.33%	0.37%	0.18%	17.09%	17.33%	0.37%	0.18%
1989-90	9697.00	14335.00	11136.00	7958.00	56.00	43208.00	22.44%	26.00	33.18%	18.42%	0.13%	0.06%	33.18%	18.42%	0.13%	0.06%
1990-91	10524.00	12338.00	11406.00	8309.00	40.00	42628.00	24.69%	11.00	26.76%	19.49%	0.09%	0.03%	26.76%	19.49%	0.09%	0.03%
1991-92	10805.00	14046.00	6269.00	5654.00	123.00	37783.00	28.60%	886.00	16.59%	14.96%	0.33%	2.34%	16.59%	14.96%	0.33%	2.34%

Sources: RBI Bulletin - March 1967 and July 1969, August 1975

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20. Instrument Wise Government Sector flows (Uses Rs. IN Crores)									
Period	BANKING ADVANCE					BANKING			
	SECTOR					SECTOR			
	CASH	DEPOSITS	LOANS	INVESTMENT	SIFO	CASH	DEPOSITS	LOANS & ADVANCE	INVESTMENT
	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH
20. Instrument Wise Government Sector flows (Uses Rs. IN Crores)									
Period	BANKING ADVANCE					BANKING			
	SECTOR					SECTOR			
	CASH	DEPOSITS	LOANS	INVESTMENT	SIFO	CASH	DEPOSITS	LOANS & ADVANCE	INVESTMENT
	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH	BALANCE WITH
1951-52	-1.50	-0.70	27.10	5.80	-	-4.89%	-2.28%	88.27%	18.89%
1952-53	-2.50	0.90	20.50	1.10	-	-12.50%	4.50%	102.50%	5.50%
1953-54	-7.70	3.20	29.60	1.30	-	-29.17%	12.12%	112.12%	4.92%
1954-55	1.40	1.70	25.90	3.50	-	4.31%	5.23%	79.69%	10.77%
1955-56	-5.90	2.10	61.30	3.20	-	-9.72%	3.46%	100.99%	5.27%
1956-57	3.30	3.70	50.50	4.80	2.10	5.12%	5.75%	78.42%	7.45%
1957-58	4.00	2.00	72.30	8.20	-	4.62%	2.31%	83.58%	9.48%
1958-59	1.00	2.00	48.80	13.80	-	1.45%	2.90%	70.83%	20.03%
1959-60	-5.10	3.80	44.10	12.30	95.30	-3.27%	2.44%	28.27%	7.88%
1960-61	-0.90	5.40	67.70	9.70	3.50	-1.34%	-8.05%	100.89%	14.46%
1961-62	0.60	2.00	49.40	19.70	3.70	0.80%	2.68%	66.22%	26.41%
1962-63	1.90	-8.00	88.50	14.40	3.70	1.98%	-8.24%	91.14%	14.83%
1963-64	3.40	9.80	102.30	16.70	4.10	2.52%	7.27%	75.89%	12.39%
1964-65	7.90	13.60	175.30	22.50	4.90	3.48%	5.99%	77.16%	9.90%
1965-66	10.50	26.50	207.30	30.50	3.70	3.71%	9.37%	73.28%	10.78%
1966-67	16.40	33.20	291.60	36.70	3.50	4.30%	8.71%	76.48%	9.62%
1967-68	10.30	76.90	271.50	43.60	7.00	-0.42%	29.10%	45.21%	22.81%
1968-69	-1.10	119.50	119.50	62.60	7.00	1.89%	4.37%	38.67%	10.90%
1969-70	4.10	9.50	133.40	71.40	157.10	0.49%	-70.79%	138.71%	26.53%
1970-71	3.20	169.50	253.20	81.30	0.70	5.32%	27.48%	53.13%	11.34%
1971-72	16.30	-216.90	425.00	93.90	8.30	7.05%	24.43%	50.16%	10.78%
1972-73	58.40	227.50	439.90	102.30	0.50	8.31%	20.28%	46.38%	12.57%
1973-74	78.90	231.90	476.20	141.50	0.30	11.05%	18.10%	47.02%	19.46%
1974-75	119.50	501.70	501.70	157.30	7.20	15.86%	27.74%	15.51%	3.51%
1975-76	198.40	226.50	588.30	157.30	60.10	30.22%	6.00%	22.89%	-11.25%
1976-77	261.10	239.70	134.00	168.10	1.80	67.37%	5.26%	-43.51%	16.23%
1977-78	2676.50	238.30	909.30	139.50	7.60	161.18%	-1.42%	77.58%	16.23%
1978-79	-2664.20	-87.00	719.10	186.00	277.80	5.80%	-0.08%	68.06%	6.27%
1979-80	57.30	-14.00	766.60	160.40	568.00	10.24%	8.50%	42.81%	72.55%
1980-81	374.20	-3.10	2486.10	229.20	1.60	-32.19%	2.07%	35.04%	8.17%
1981-82	-197.00	52.00	262.00	444.00	2.00	47.92%	9.48%	-185.01%	-80.20%
1982-83	2196.00	95.00	1606.00	530.00	154.00	448.09%	-2.88%	75.09%	8.68%
1983-84	-3168.00	-67.00	1308.00	567.00	651.00	-11.59%	-10.13%	74.89%	26.79%
1984-85	-101.00	291.00	2638.00	305.00	378.00	11.30%	-6.01%	52.04%	18.56%
1985-86	-318.00	-278.00	2055.00	735.00	540.00	-33.55%	-17.44%	50.94%	35.49%
1986-87	-468.00	-249.00	2156.00	769.00	23.00	18.32%	2.59%	49.45%	13.38%
1987-88	-556.00	-289.00	844.00	588.00	81.400	10.46%	0.59%	65.68%	16.11%
1988-89	926.00	131.00	2499.00	676.00	8.00	-5.47%	0.89%	62.35%	26.97%
1989-90	955.00	54.00	5997.00	1206.00	3.00	55.74%	0.88%	64.63%	-20.42%
1990-91	-246.00	40.00	2804.00	1213.00	5.00				
1991-92	5631.00	89.00	6529.00	-2063.00	38.00				

Sources : RBI Bulletin - March 1967 and July 1969, August 1975
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Flow of funds January 1992 and June 1993

SIFO = SUBSCRIPTIONS TO INTERNATIONAL FINANCIAL ORGANISATIONS
NPDGS = NET PURCHASE OF DOMESTIC GOLD & SILVER

21. Financial flows Instrument wise of household Sources Sector (Rs. IN Crores)

Period	LOANS & ADVANCE	TRADE DEBT AND CREDIT	TOTAL BORROWING (SOURCES)	LOANS & ADVANCE	TRADE DEBT AND CREDIT
1951-52	64.90		64.90	100.00%	0.00%
1952-53	15.30	-6.60	8.70	175.86%	-75.86%
1953-54	58.30	-20.10	38.20	152.62%	-52.62%
1954-55	54.50	5.90	60.40	90.23%	9.77%
1955-56	135.20	3.40	138.60	97.55%	2.45%
1956-57	105.60	-0.40	105.20	100.38%	-0.38%
1957-58	112.50	-20.60	91.90	122.42%	-22.42%
1958-59	140.70	-32.50	108.20	130.04%	-30.04%
1959-60	138.80	-28.00	110.80	125.27%	-25.27%
1960-61	137.60	169.90	307.50	44.75%	55.25%
1961-62	174.30	-14.70	159.60	109.21%	-9.21%
1962-63	189.30	51.00	240.30	78.78%	21.22%
1963-64	220.80	39.80	260.60	84.73%	15.27%
1964-65	284.90	48.30	333.20	85.50%	14.50%
1965-66	364.40		364.40	100.00%	0.00%
1966-67	302.60		302.60	100.00%	0.00%
1967-68	521.00		521.00	100.00%	0.00%
1968-69	701.30		701.30	100.00%	0.00%
1969-70	590.20		590.20	100.00%	0.00%
1970-71	637.40		637.40	100.00%	0.00%
1971-72	718.30	9.80	728.10	98.65%	1.35%
1972-73	912.50	12.50	925.00	98.65%	1.35%
1973-74	1113.40	16.30	1129.70	98.56%	1.44%
1974-75	1415.70	18.70	1434.40	98.70%	1.30%
1975-76	1899.00	41.00	1940.00	97.89%	2.11%
1976-77	1568.90	71.70	1640.60	95.63%	4.37%
1977-78	2931.00	17.90	2948.90	99.39%	0.61%
1978-79	3817.00	12.30	3829.30	99.68%	0.32%
1979-80	2798.10		2798.10	100.00%	0.00%
1980-81	3508.00		3508.00	100.00%	0.00%
1981-82	4004.00		4004.00	100.00%	0.00%
1982-83	3533.00		3533.00	100.00%	0.00%
1983-84	5434.00		5434.00	100.00%	0.00%
1984-85	5719.00		5719.00	100.00%	0.00%
1985-86	6161.00		6161.00	100.00%	0.00%
1986-87	7915.00		7915.00	100.00%	0.00%
1987-88	*****		12864.00	100.00%	0.00%
1988-89	*****		12840.00	100.00%	0.00%
1989-90	*****		11341.00	100.00%	0.00%
1990-91	*****		10631.00	100.00%	0.00%

Sources :

RBI Bulletin—March 1967 and July 1969, August 1975

March 1980

Flow of funds January 1992 and June 1993

22. Financial flows in the Indian Economy Instrument wise Household Sector (Uses) (Rs. In Crores)

[illegible]

Sources:

RRBI Bulletin—March 1967 and July 1969, August 1975

March 1980

Macro Economic Aggregates and Financial Variables

Period	NNP at Factor Cost	Net Capital Formation at Current Prices	Secondary Issues	Primary Issues	Total Issues
	1	2	3	4	5
1951-52	8988.00	777.00	-53.90	138.7	84.8
1952-53	8837.00	330.00	-21.20	105	83.8
1953-54	9657.00	444.00	119.20	251.8	371
1954-55	8974.00	559.00	272.90	357.5	630.4
1955-56	9106.00	923.00	442.70	681.3	1124
1956-57	10915.00	1348.00	371.30	535.7	907
1957-58	11114.00	1181.00	459.40	720.5	1179.9
1958-59	12386.00	1013.00	509.40	820.4	1329.8
1959-60	12960.00	1154.00	600.80	1101.9	1702.7
1960-61	14160.00	1604.00	277.80	1194.7	1472.5
1961-62	14857.00	1385.00	592.00	1155.6	1747.6
1962-63	15844.00	1759.00	623.20	1423.6	2046.8
1963-64	18144.00	1965.00	808.10	1730.5	2538.6
1964-65	21245.00	2272.00	884.10	1672.9	2557
1965-66	22107.00	2738.00	1111.80	2385.5	3497.3
1966-67	25065.00	3493.00	1157.60	2549.1	3706.7
1967-68	29597.00	3150.00	1096.60	2648.5	3745.1
1968-69	31160.00	2736.00	1373.90	2299.8	3673.7
1969-70	34259.00	3649.00	1425.50	2355.1	3780.6
1970-71	36362.00	4256.00	2063.80	3515.7	5579.5
1971-72	38583.00	4746.00	2465.70	3433.1	5898.8
1972-73	42382.00	4469.00	2894.10	3687.3	6581.4
1973-74	54241.00	7557.00	4404.10	3960.8	8364.9
1974-75	61194.00	7921.00	3399.80	7112	10511.8
1975-76	64531.00	8488.00	6731.00	8998	15729
1976-77	69748.00	9941.00	7593.00	9750	17343
1977-78	79671.00	11396.00	11462.00	13775	25237
1978-79	85255.00	15840.00	8119.60	11559	19678.6
1979-80	92314.00	15007.00	12070.50	18434	30504.5
1980-81	110484.00	18793.00	15097.60	19823	34920.6
1981-82	128457.00	21630.00	14886.00	25350	40236
1982-83	141331.00	19748.00	25199.00	34240	59439
1983-84	165642.00	22259.00	20239.00	28378	48617
1984-85	184273.00	23315.00	28862.00	39813	68675
1985-86	206419.00	29652.00	30558.00	42006	72564
1986-87	229010.00	33580.00	34835.00	37252	72087
1987-88	257813.00	45196.00	40083.00	50322	90405
1988-89	309286.00	60048.00	56963.00	77145	134108
1989-90	357931.00	77541.00	67882.00	97107	164989
1990-91	416495.00	87909.00	68497.00	101622	170119
1991-92	477868.00	93598.00	87993.00	125998	213991
1992-93	544935.00	101339.00	98032.00	175711	273743

Sources :

Reserve Bank of India various Issues

Chart Book on Financial And Economic Indicators, (Reserve Bank of India) 1977.

Flow of Funds in the Indian Economy (Reserve Bank of India Bulletin.)

Report on Currency and Finance (Reserve Bank of India).

Note :

NNP at Factor Cost - Current Prices