

**EAST INDIA: ACCOUNTS AND ESTIMATES
1924-1925.**

EXPLANATORY MEMORANDUM

BY THE

UNDER-SECRETARY OF STATE FOR INDIA

Presented to Parliament by Command of His Majesty



LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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Aldstral House, Kingsway, London, W.C.2; 28, Abingdon Street, London, S.W.1;

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or through any Bookseller.

1924.

CMD. 2266.

Price 9*s.* Net.

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MEMORANDUM

BY THE

UNDER-SECRETARY OF STATE FOR INDIA

RELATING TO THE

**ACCOUNTS of the GOVERNMENT OF INDIA (Central Government)
for 1922-23 and the ESTIMATES for 1923-24 and 1924-25.**

I.—INTRODUCTORY.

SEPARATION OF CENTRAL AND PROVINCIAL FINANCES.

The Government of India Act, 1919, was designed *inter alia* to secure a greater measure of independence for Provincial Governments, and to this end provision was made, in the Act and in Rules subsequently published under authority of the Act, for the delimitation of the functions of Government, as between the Government of India and the chief Provincial Governments, and for the definite assignment to each of these Provincial Governments of specific revenues of their own. Effect has been given to these measures of devolution in the nine "Governors' Provinces" viz.: Bengal, Madras, Bombay, the United Provinces, the Punjab, Bihar and Orissa, the Central Provinces, Assam and Burma, and in the Province of Coorg. As regards these provinces the functions of Government have been classified as either "central subjects" or "provincial subjects." A general authority to control all matters coming under the latter head, subject to certain expressed provisos, is devolved upon the Local Governments concerned.

The sources of revenue which have been given to Local Governments for the purpose of defraying their administrative charges consist, in the main, of the receipts accruing from provincial loans and from those provincial subjects which are revenue-producing, the principal heads being Land Revenue, Irrigation, Stamp Duties and Excise. In addition, a local Government is given a share in any expansion of Income Tax (otherwise a "central" source of revenue) due to an increase of the assessed incomes within the Province; the amount allocated is, in effect, three pies in the rupee on the amount by which the total of assessed incomes in any year exceeds the total thereof in the year 1920-21.

When the division of the sources of revenue was made between the Central and Provincial Governments, it was realized that the Central Government would be left insufficiently provided. It was therefore arranged that an annual contribution should be made by eight of the local Governments to the Central Government. The annual contributions fixed at the outset aggregated 983 lakhs of rupees. They were not, except in case of emergency and with the sanction of the Secretary of State, to be subject to increase, and should reduction of the aggregate be found possible, reductions were to be made in fixed proportions from the quotas of the several Provinces. The general policy which it is intended to pursue in

the matter is a progressive reduction of provincial contributions with a view to their ultimate cessation.*

The revised financial arrangements outlined above came into force from the 1st April, 1921, as from which date all "provincial" revenue and expenditure ceased to be included in the estimates and accounts of the Central Government. In the case of Coorg the separation was made on 1st April, 1924. The annual volumes of the "Finance and Revenue Accounts of the Government of India," commencing with that for 1921-22, exhibit in separate tables the revenue and expenditure of the Provincial Governments as well as that of the Central Government. The Central Government and each Provincial Government issues annually a separate volume containing its own budget estimate for the forthcoming year and revised estimate for the closing year. This Memorandum, however, deals with the Accounts and Estimates of the Central Government only, except where otherwise stated.

EXCHANGE ACCOUNTING.

The Government of India's accounts are now kept in rupees. Since the 1st April, 1920, sterling transactions have, for the purpose of the Accounts and Estimates, been converted into rupees on a uniform basis of 2s. to the rupee, equivalent to Rs.10 to the £. The actual market value of the rupee, however, has varied considerably from that rate. As a result, the rupee figure shown for any item of English expenditure (as converted at Rs.10 to the £) does not correctly represent the actual charge incurred in making that expenditure. For instance, when a disbursement of £1,000 is made in England, the amount shown in rupees in the accounts as a disbursement in England will be Rs.10,000. But (at the rate of 1s. 4½d. to the rupee assumed for the Budget Estimate of 1924-25) a disbursement of £1,000 represents a real charge of Rs.14,328. The balance of Rs.4,328 is treated as a disbursement on account of "exchange." The procedure by which this is effected is described in the following paragraph.

All exchange credits or debits arising in respect of remittances and cognate transactions, owing to the remittances, etc., having been effected at rates differing from the conventional "conversion rate," are recorded in the first instance under a suspense head. The exchange credits or debits arising from outlay incurred in England in respect of the various heads of the revenue and capital accounts are included in the respective accounts, being calculated monthly on the basis of the average telegraphic transfer rates (Calcutta on London); and those relating to Provincial Governments are charged against those Governments.

The suspense head of account referred to above is then reduced by the totals of these exchange adjustments arising from outlay in England; and it is considered with reference to the circumstances of each year whether the resulting balance should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years. It was estimated that at the end of 1923-24 a net credit balance of Rs.8,79 lakhs would be held in suspense on this account.

* As a special measure, the annual contribution of Rs. 63 lakhs made by the Province of Bengal has been remitted for three years with effect from 1922-23.
(See also page 27).

Rates of Exchange for the three years under review.—The average of the daily rates (telegraphic transfer, Calcutta on London) for 1922-23 was Rs.15'2246 to the £. The respective rates assumed for the purpose of compiling the Estimates have been:—

For the Budget Estimate of 1923-24, Rs.15'0 to the £ (1s. 4d. to the rupee).

For the Revised Estimate of 1923-24, Rs.14'5454 to the £ (1s. 4½d. to the rupee).

For the Budget Estimate of 1924-25, Rs.14'3284 to the £ (1s. 4¾d. to the rupee).

II.—REVENUE, AND EXPENDITURE CHARGED TO REVENUE.

GROSS REVENUE AND EXPENDITURE.

The Gross Revenue and Expenditure of the Government of India for the three years to which this Memorandum refers are as follows:—

Gross Revenue and Expenditure.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
Revenue	1 21,41,29,156	1,31,96,04,000	1,30,09,37,000
Expenditure	1,36,43,05,548	1,29,89,97,000	1,29,90,90,000
Surplus or <i>Deficit</i> .. .	15,01,76,392	2,06,07,000	18,47,000

In these figures all receipts are included in the total of revenue and all outlay in the total of expenditure, with the main exceptions that the working expenses of railways, irrigation works and posts and telegraphs, and the surplus profits paid to certain railway companies are treated not as expenditure but as a deduction from revenue.

NET REVENUE AND EXPENDITURE.

The figures of Gross Revenue just given include the net receipts of railways and other commercial undertakings without any deduction on account of interest charges, the total receipts from the sale of opium, and the receipts of certain spending departments; while the figures of Gross Expenditure include the interest charges of commercial undertakings, and the cost of cultivation and manufacture of opium. This method of compilation may cause the revenue available for administrative purposes and the expenditure on such purposes to appear greater than they really are. A statement of the net revenue and expenditure of the Central Government for the three years under review is therefore given in the table below, which shows the *net* revenue derived from commercial undertakings, after deducting all expenditure including interest charges, and *net* figures under other heads of revenue and expenditure obtained by deducting (1) the cost of cultivation and manufacture of opium from sale receipts, and (2) the receipts of the spending departments from the gross expenditure incurred by them. The cost of the establishments maintained for the collection of revenue is not shown as a deduction from revenue, but as a separate head of expenditure.

Net Revenue.

—	Accounts, 1922-23.		Budget Estimate, 1923-24.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I. Principal Heads of Revenue :—								
1. Customs ..	41,34,65,362		45,09,41,000		40,41,53,000		45,01,82,000	
2. Taxes on Income ..	17,99,41,150		19,04,64,000		19,07,45,000		18,21,97,000	
3. Salt ..	6,82,46,112		11,75,00,000		8,70,27,000		9,04,62,000	
4. Opium ..	1,92,31,425		2,04,81,000		1,72,21,000		2,24,52,000	
5. Other Heads..	2,34,00,268		2,44,97,000		2,34,27,000		2,22,32,000	
		70,42,84,317		80,38,83,000		72,25,73,000		76,75,25,000
II. Commercial Undertakings :—								
1. Railways ..	1,21,99,229		3,85,26,000		6,28,00,000		4,58,14,000	
2. Irrigation ..	-2,84,639		-3,37,000		-5,31,000		-10,38,000	
3. Posts and Telegraphs ..	45,30,912		1,54,97,000		72,32,000		1,18,41,000	
		1,64,45,502		5,36,86,000		6,95,01,000		5,66,17,000
III. Currency, Mint and Exchange :—								
1. Currency ..	2,47,94,514		1,69,46,000		2,04,05,000		2,85,93,000	
2. Mint ..	10,98,886		-13,31,000		-1,69,000		62,000	
		2,58,93,400		1,56,15,000		2,02,36,000		2,86,55,000
IV. Provincial Contributions and Adjustments		9,22,93,608		9,17,74,000		9,04,50,000		8,99,46,000
V. Miscellaneous Civil Receipts ..		16,76,985		11,35,000		2,84,36,000		34,10,000
Total Net Revenue ..		84,05,93,812		96,60,93,000		93,11,96,000		94,61,53,000

Net Expenditure

	Accounts, 1922-23.		Budget Estimate, 1923-24.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I. Debt Services ..		15,00,18,844		14,70,61,000		13,50,63,000		15,15,26,000
II. Military Services :-								
1. Army ..	59,86,87,257	.	57,17,67,000		55,31,21,000		55,48,72,000	
2. Marine ..	1,07,26,080		75,07,000		68,66,000		76,76,000	
3. Military Works	4,32,66,753		4,07,26,000		3,74,32,000		3,99,52,000	
		65,26,80,090		62,00,00,000		59,74,19,000		60,25,00,000
III. Collection of Revenue		3,35,44,337		3,48,91,000		3,02,49,000		3,45,04,000
IV. Civil Administration		9,49,97,512		9,16,21,000		8,89,61,000		9,08,27,000
V. Miscellaneous Civil Charges ..		4,74,86,448		4,78,40,000		4,41,05,000		4,55,35,000
VI. Civil Works ..		1,20,42,973		1,65,94,000		1,47,92,000		1,94,14,000
Total Net Expenditure charged against Revenue		99,07,70,204		95,80,07,000		91,05,89,000		94,43,06,000
Surplus(+) or Deficit(-)		-15,01,76,392		+80,86,000		+2,06,07,000		+18,47,000

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ACCOUNTS, 1922-23.

It will be seen from the table that the final accounts for 1922-23 show a deficit of Rs.15,01,76,392.

REVISED ESTIMATE, 1923-24.

The Revised Estimate of 1923-24 shows a surplus of Rs.2,06,07,000 as compared with a surplus of Rs.80,86,000 in the Budget Estimate. The Revised Estimate would ordinarily have shown a deficit of Rs.37½ lakhs, but this has been converted into a surplus of over Rs.2 crores, owing to the fact that a sum of £3¼ millions, representing profits from the control of enemy ships, which has been lying at credit of a suspense head, became available for credit of revenue. The amount credited to revenue in 1923-24 under this heading was nearly Rs.244 lakhs, and as regards the remainder, Rs.25 lakhs has been included in the 1924-25 Budget to meet *ex gratia* compensation to individuals who have suffered from enemy action during the war, and Rs.2 crores has been reserved for refund to railway companies of customs duty on stores if the appeal against a decision of the Bombay High Court should be unfavourable.

The increases and decreases as compared with the Budget Estimate were, in detail, as follows:—

Net Revenue.

Increases.		Rs.	Decreases.		Rs.
Miscellaneous Civil			Customs	4,67,88,000	
Receipts	2,73,01,000		Salt	3,04,73,000	
Railways	2,42,74,000		Posts and Telegraphs	82,65,000	
Currency	34,59,000		Opium	32,60,000	
Mint	11,62,000		Other Heads	25,88,000	
Taxes on Income ..	2,81,000				
Total	5,64,77,000		Total	9,13,74,000	

Net Expenditure.

Increases.		Rs.	Decreases.		Rs.
Nil.			Army.. .. .	1,86,46,000	
			Debt Services ..	1,19,98,000	
			Collection of Revenue ..	46,42,000	
			Miscellaneous		
			Civil Charges ..	37,35,000	
			Military Works ..	32,94,000	
			Civil Administration	26,60,000	
			Civil Works	18,02,000	
			Marine	6,41,000	
Total	Nil		Total	4,74,18,000	

Notes on the Heads under which the principal variations occur will be found in Appendix I.

BUDGET, 1924-25.

In framing the Budget for 1924-25 the Government of India estimated that, on the basis of existing taxation and the continuance of the crediting to revenue of the interest on the securities in the Paper Currency Reserve and in the Gold Standard Reserve there would be a surplus of Rs.336 lakhs. It was stated in the Legislature that, if the Salt Tax, which stood at Rs.2½ per maund, and had been doubled in the previous year in order to balance the Budget, were reduced to its previous figure of Rs.1¼ per maund, the estimated surplus would become a nominal one of about 4 lakhs, and an estimated further deficiency of Rs.216 lakhs would ensue in the following year. If the Salt Tax were reduced to Rs.2 per maund, it was estimated that there would be a surplus of Rs. 154 lakhs in 1924-25. The Government of India left the final choice to the Legislature, but recommended that the Salt Tax should be reduced to Rs.2 per maund and that Rs.150 lakhs of the remaining surplus should be devoted to the reduction of the provincial contributions. The provinces thus benefiting under the Devolution Rules would be Madras, Rs.80 lakhs; the Punjab, Rs.38 lakhs; the United Provinces, Rs.30 lakhs, and Burma Rs.2 lakhs approximately.

No new taxation was proposed, and in addition to the reduction of the Salt Tax, the Government of India proposed to reduce the duties on motor spirit from 6 annas a gallon on motor spirit produced in India and 8½ annas on imported motor spirit to 4½ annas a gallon for both kinds. A specific duty on certain imported materials used in the match industry was proposed in order to safeguard the customs revenue.

The Legislative Assembly refused Rs.4,72,02,100 of the Demands for Grants, including the whole of the demands under the heads Customs, Taxes on Income, Salt and Opium, which amounted to Rs.4,47,02,000. This latter amount was restored by the Governor-General in Council as essential to the discharge of his responsibilities.

The Finance Bill as introduced into the Legislative Assembly provided *inter alia* for the reduction of the Salt Duty from Rs.2½ to Rs.2 per maund. Owing to the Legislative Assembly refusing to take it into consideration, a fresh Bill was submitted in a form recommended by the Governor-General. Leave to introduce the Bill into the Legislative Assembly was refused; the Bill was then introduced into and passed by the Council of State and became an Act on certification by the Governor-General, under the provisions of Section 67B of the Government of India Act (*vide* Parliamentary Paper H.C. 85 of 1924). This Act reduced the Salt Tax to Rs.1¼ per maund and provided for the existing postal rates

and rates of Income Tax and Super Tax, and for the imposition of a specific duty on certain materials for match manufacture, but the proposals for reducing the Excise and Import Duties on motor spirit and other minor changes in the customs tariff were omitted from the Act in its recommended form.

In the Budget, as finally passed, the net revenue and expenditure were estimated as follows:—

	Rs.
Net Revenue	94,61,53,000
Net Expenditure	94,43,06,000
	<hr/>
Surplus	18,47,000
	<hr/> <hr/>

As compared with the Revised Estimate for 1923-24, these figures show an increase of Rs.1,49,57,000 in net revenue, an increase of Rs.3,37,17,000 in net expenditure, and an estimated surplus of Rs.18,47,000 as compared with a surplus of Rs.2,06,07,000 in 1923-24.

The increases and decreases in the Budget as compared with the Revised Estimate for 1923-24 in detail are as follows:—

Net Revenue.

<i>Increases.</i>	<i>Rs.</i>	<i>Decreases.</i>	<i>Rs.</i>
Customs	4,60,29,000	Miscellaneous	
Currency	81,88,000	Civil Receipts ..	2,50,26,000
Opium	52,31,000	Railways	1,69,86,000
Posts and Telegraphs	46,09,000	Taxes on Income ..	85,48,000
Salt	34,35,000	Other Heads	22,06,000
Mint	2,31,000		
	<hr/>		<hr/>
Total	6,77,23,000	Total	5,27,66,000
	<hr/> <hr/>		<hr/> <hr/>

Net Expenditure.

<i>Increases.</i>	<i>Rs.</i>	<i>Decreases.</i>	<i>Rs.</i>
Debt Services	1,64,63,000		
Military Services ..	50,81,000	Nil.	
Civil Works	46,22,000		
Collection of Revenue	42,55,000		
Civil Administration..	18,66,000		
Miscellaneous			
Civil Charges	14,30,000		
	<hr/>		<hr/>
Total	3,37,17,000	Total	Nil
	<hr/> <hr/>		<hr/> <hr/>

Notes on the Heads under which the principal variations occur will be found in Appendix I.

III.—BURDEN OF TAXATION.

	Accounts, 1922-23.	Budget Estimate, 1923-24.	Budget Estimate, 1924-25.
	Lakhs of Rs.	Lakhs of Rs.	Lakhs of Rs.
Salt	6,42.37	11,35.89	8,67.42
Stamps	11,95.17	13,55.84	12,92.92
Excise	18,42.30	18,98.53	19,37.49
Customs	41,29.25	45,03.75	44,96.17
Taxes on Income	18,13.94	19,17.64	18,36.58
Registration	1,20.45	1,24.13	1,27.83
Scheduled Taxes	27.77	46.35	35.48
Total (excluding Land Revenue) ..	97,71.25	109,82.13	105,93.89
Land Revenue	35,07.75	34,70.06	35,70.03
Total (including Land Revenue) ..	132,79.00	144,52.19	141,63.92
The payment per head, on the assumption that the whole of the taxation is paid by the inhabitants of British India, is :—			
(i) exclusive of Land Revenue..	Rs. 3.917	Rs. 4.381	Rs. 4.204
(ii) inclusive of Land Revenue..	5.323	5.764	5.621

The above figures include both Central and Provincial revenue.

For the purpose of calculating the payment per head, the figures of population have been based on the Census of 1921 (247,003,293), an annual increase of population at the rate of one-half per cent. being assumed.

IV.—DEBT TRANSACTIONS AND CAPITAL EXPENDITURE.

DEBT TRANSACTIONS.

1923-24.

In May, 1923, a Sterling Loan was issued by the Secretary of State of £20,000,000 $4\frac{1}{2}$ per cent. stock, repayable at par on any half-yearly interest date between May, 1950, and May, 1955, the issue price being £90 per cent.

This issue was consolidated with the previous issue of £20,000,000 $4\frac{1}{2}$ per cent. stock in October, 1922. The proceeds of the loan were to be used for Indian Railway and general purposes. Facilities for subscriptions from India were provided.

In July, 1923, the Government of India issued a loan in India, limited to Rs.24 crores, in the form of ten-year Bonds at Rs.97 per cent. and long-term loan, maturing 1945-55, at Rs.96 per cent., both forms bearing interest at 5 per cent., and free of Indian Income Tax.

Conversion facilities were provided for Indian War Bonds, 1923, to both forms of the loan and for Indian War Bonds, 1925 and 1928, to the long-term loan only.

Arrangements were made for subscriptions to be received simultaneously in India, including Post Offices, and in London.

The total amounts subscribed were as follows:—

	Main Section.	Post Office Section.	Total.
	Rs.	Rs.	Rs.
Ten-year Bonds..	14,15,50,900	2,18,600	14,17,69,500
1945-55 Loan ..	9,77,83,200	1,94,200	9,79,77,400
Total	23,93,34,100	4,12,800	23,97,46,900

The amounts of War Bonds, 1923, 1925 and 1928, included in the above figures were Rs.8,17,700, Rs.1,400 and Rs.32,300, respectively.

Rs.5 crores of the Permanent Debt in India was discharged during the year, including Rs.8½ lakhs War Bonds, converted into the Rupee Loan of 1923. £715,500 Indian Railway Debentures were discharged in England.

Treasury Bills were only offered for sale in 1923-24 during April and from 14th November to 28th January. The amount outstanding on 31st March, 1924, was Rs.51,78·3 lakhs, of which Rs.49,65 lakhs was held on account of the Paper Currency Reserve, and Rs.212·2 lakhs by the public. During the year Rs.1946·7 lakhs (net) of the public issue of bills have been paid off, the holding on account of the Paper Currency Reserve remaining unchanged.

The net receipts from Post Office Cash Certificates, of which a new series was introduced in April, 1923, was Rs. 5,29,80,601.

1924-25.

The Budget provides for a capital outlay of Rs.30 crores on railways, Rs.1·74 crores on Posts and Telegraphs, and Rs.1·47 crores on the new Capital at Delhi; for the discharge of:—

Rs.2,13,00,000 Treasury Bills (i.e., the total held by the public);

Rs.22,00,000 4 per cent. loans;

Rs. 26,00,000 5½ per cent. War Bonds, 1920 to 1923, which were not presented for repayment on maturity;

Rs.48,93,000 5 per cent. War Loan, 1929-47, and Rs.85,00,000 5 per cent. Income Tax free Loan, 1945-55, by the operation of the Depreciation Fund; and

£451,000 Indian Railway debentures in England.

It further assumes the receipt from a Rupee Loan in India of Rs.20 crores, and net receipts of Rs.6 crores and Rs.1½ crores from Savings Bank deposits and Post Office Cash Certificates respectively. The estimates do not provide for the issue of a Sterling Loan.

In July, 1924, the Rupee Loan, subject to a maximum of Rs.15 crores, was issued. The lists were closed on the 16th August and the subscriptions amounted approximately to Rs.13¼ crores. The loan was issued in two forms: (a) nine-year bonds at Rs.98¼ per cent., carrying interest at 5 per cent. per annum, free of Indian Income Tax; and (b) long-term loan at Rs.99 per cent. repayable at par not earlier than 15th October, 1945, or later than 15th October, 1955, and carrying interest at 5 per cent. per annum, free of Indian Income Tax. Subscriptions were admissible in cash and Indian War Bonds, 1925 and 1928, the War Bonds being convertible into the long-term loan only. Subscriptions were receivable both in India and in London.

In December, 1924, when the East Indian Railway will come under State management, the Secretary of State will take over the liability for the £18,500,000 debenture stock of the East Indian Railway Company.

The new series of Post Office Five-year Cash Certificates issued in 1923 is being continued, with the addition of Certificates for Rs.1,000. The Budget for 1924-25 provides for a net receipt of Rs.1½ crores from these Certificates.

The amount of the permanent and floating public debt of the Government of India (Central Government) outstanding is as follows:—

	In India‡	In England*
	Rs.	£
31st March, 1923.. .. .	4,11,07,10,245	242,631,497
31st March, 1924 (Revised Estimate) ..	4,10,67,26,245	260,789,797
31st March, 1925 (Budget Estimate) ..	4,26,71,33,245	279,475,297†

‡Excludes Post Office Cash Certificates.

*Includes liability for British Government 5 per cent. War Loan, 1929-47, taken over by India.

†Includes £18,500,000 debenture stock of the East Indian Railway, the liability for which will be assumed by the Secretary of State within the year.

The classification of the public debt of the Government of India and Provincial Governments combined is given on page 16.

RAILWAYS.

On the 31st March, 1923, the length of railways in India open for traffic was 37,618 miles, of which 381½ miles were opened in the preceding twelve months. The total route mileage under construction at the close of the year was 862¾ miles. (See also App. II. (b) (i).)

The capital expenditure on railways shown in the Government Accounts for 1922-23 and Estimates for 1923-24 and 1924-25, is as follows:—

	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
(A) Outlay on lines worked by the State and by guaranteed companies:—			
(1) From funds provided by the State ..	18,15,15,748	23,60,64,000	29,19,76,000
(2) From funds raised through companies or provided from other sources ..	28,26,557	—	80,24,000
	18,43,42,305	23,60,64,000	30,00,00,000
(B) Deposits of branch line companies ..	3,43,936	1,51,000	—1,08,000
Total ..	*18,46,86,241	*23,62,15,000	*29,98,92,000

* The figures in the above table have been arrived at after allowing for adjustment in respect of exchange.

The following table shows the capital outlay on all State lines up to the end of each year and the net return obtained after deducting working expenses and interest charges (see also table in Appendix II (b) (ii)):—

	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
Capital at charge at end of each year	5,61,25,72,632	5,83,29,56,632	6,11,71,30,632
Working profit from railways excluding interest charges ..	26,52,55,414	32,13,74,000	29,36,48,000
Percentage of same to capital at charge ..	4.73%	5.51%	4.80%
Final working profit after meeting interest charges	1,21,99,229	6,28,00,000	4,58,14,000
Percentage of same to capital at charge ..	0.22%	1.08%	0.75%

POSTS AND TELEGRAPHS

In the Budget for 1924-25 provision has been made of Rs.1,74 lakhs for capital outlay on the Indian Postal and Telegraph Department. The corresponding figures for 1923-24 were:—Budget Estimate, Rs.94 lakhs; Revised Estimate, Rs.97 lakhs. Prior to 1921-22 all expenditure on the Department, inclusive of capital outlay, was charged to Revenue.

EXPENDITURE ON THE NEW CAPITAL AT DELHI.

The capital expenditure incurred, or estimated to be incurred, during the three financial years under review, on permanent works at Delhi, is as follows :—

	Rs.
1922-23 (Accounts)	1,84,79,432
1923-24 (Revised Estimate)	1,82,00,000
1924-25 (Budget Estimate)	1,47,00,000

The total actual capital expenditure incurred up to 31st March, 1923, was Rs.8,02,06,000.

CLASSIFICATION OF PUBLIC DEBT.

Immediately prior to 1921-22 the debt of India was classified as (1) Railway Debt, (2) Irrigation Debt, (3) Initial Expenditure on the New Capital at Delhi, (4) Bombay Development Scheme, (5) Ordinary Debt, and (6) Treasury Bills and Short-term loans.

In the table below items (3) and (4) are included under Ordinary Debt.

With effect from 1921-22, the classification has been re-cast, owing to the application of borrowed funds to capital expenditure in the Telegraph Department, and to capital works undertaken by Provincial Governments in exercise of the borrowing powers conferred on them under the Reforms Scheme. The heads under which the debt has been re-cast are as follows :—

- (1) Debt debited to Commercial Departments, subdivided into (a) Railways, (b) Posts and Telegraphs, (c) Irrigation, and (d) Forests.
- (2) Ordinary debt, and
- (3) Floating Debt, *i.e.*, Treasury Bills and Short-term loans.

The portion of the Public Debt shown as incurred for Commercial Departments is determined with reference to the actual capital outlay in those departments provided from Government resources, irrespective of whether it has been financed by loans raised by Government or otherwise, *e.g.*, by the use of surplus revenue deposits or miscellaneous funds. The funds devoted to capital expenditure in any year normally exceed the money raised for the purpose. When this is the case, the adoption of the method explained above for calculating the amount of debt utilised for Commercial Departments results in the increase of the amount of this debt and an equivalent decrease in the ordinary (or unproductive) debt, corresponding roughly to the extent to which funds raised otherwise than by borrowing are devoted to capital outlay

on commercial undertakings. The operation is reversed in any year in which, owing to unfavourable financial conditions, funds obtained by loans are used in the ordinary disbursements of Government.

In the following table, which includes the public debt of the Central and the Provincial Governments, the sterling and rupee debts of India have been combined at the rate of Rs. 10=£1.

	31/3/17.	31/3/18.	31/3/19.	31/3/20.
Debt debited to Commercial Departments:—	Rs.	Rs.	Rs.	Rs.
(1) Railways	3,25,25,50,700	3,30,63,50,600	3,37,55,63,850	3,50,65,85,130
(2) Irrigation	64,92,82,850	65,98,78,100	66,73,60,220	67,50,86,770
(3) Posts and Telegraphs.. ..				
(4) Forest				
Ordinary Debt	—48,27,15,930	42,16,11,910	56,73,55,070	51,12,72,870
‡ Floating Debt	50,00,000	47,57,05,000	49,24,30,000	52,98,00,000
Total	3,42,41,17,570	4,86,35,43,610	5,10,27,09,140	5,22,47,44,770
	31/3/21.	31/3/22	31/3/23.	31/3/24. †
Debt debited to Commercial Departments:—	Rs.	Rs.	Rs.	Rs.
(1) Railways	3,77,45,54,938	3,99,67,52,477	4,18,74,34,019	4,39,26,09,000
(2) Irrigation	68,77,12,546	78,00,79,612	81,26,89,476	84,89,72,000
(3) Posts and Telegraphs.. ..		15,23,64,560	15,89,26,566	16,65,44,000
(4) Forest		3,09,239	8,73,542	29,93,000
Ordinary Debt	31,74,49,724	30,91,44,589	80,06,23,708	97,00,82,000
‡ Floating Debt	1,04,93,10,000	1,11,85,70,000	71,23,90,000	51,77,20,000
Total	5,82,90,27,208	6,35,72,20,477	6,67,29,17,309	6,89,89,20,000

† Figures for 31/3/24 are provisional.

‡ The floating debt includes the Treasury Bills held on account of the Paper Currency Reserve, of which the amounts outstanding were as follows:—

31/3/17	Nil.	31/3/21	Rs. 61,26,00,000
31/3/18	Nil.	31/3/22	Rs. 57,89,00,000
31/3/19	Rs. 6,40,00,000	31/3/23	Rs. 49,65,00,000
31/3/20	Rs. 10,09,00,000	31/3/24	Rs. 49,65,00,000

MISCELLANEOUS LIABILITIES AND ASSETS.

There are also other obligations of the Government of India, including Post Office Cash Certificates (which are treated in the Government of India's Accounts as unfunded debt), Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, etc., amounting on 31st March, 1924 to Rs.97½ crores, and certain terminable annuities in redemption of a capital sum for purchase of railways of which the amount outstanding on 31st March, 1924, was £60,095,485.

On that date, also, the Government of India had lent Rs.8,69,33,144 (net) to Native States, Corporations, Agriculturists, etc. Other assets included the Gold Standard Reserve, consisting of sterling securities of an estimated value of £39,999,059, and £941 in cash; the cash balances in India, Rs.31,14,37,000, and the Treasury balances in England, £10,166,581.*

* The figures in the final sentence are actuals, and hence differ from the "Revised Estimate" figures in the following statement.

V.—GENERAL STATEMENT OF THE RECEIPTS AND DISBURSEMENTS AND BALANCES OF THE GOVERNMENT OF INDIA, IN INDIA AND IN ENGLAND.

The following table shows the opening balances, receipts, disbursements and closing balances, estimated or actual, of the Government of India in 1922-23, 1923-24, and 1924-25.

	Accounts, 1922-23.	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Opening Balance, India	23,66,13,170	23,89,58,170	25,95,80,424	29,77,01,424
Opening Balance, England	(a)8,99,53,817	(b)7,41,81,817	(b)9,82,19,688	(b)7,63,05,688
Total Opening Balance	34,65,66,987	31,31,39,987	35,78,00,112	37,40,07,112
RECEIPTS—				
Revenue Surplus	—	80,86,000	2,06,07,000	18,47,000
Capital Contributions by Railway Companies and Indian States towards construction of State Railways	28,26,557	4,51,26,000	—	80,24,000
Permanent Debt (net incurred)	66,22,99,053	33,15,56,000	37,21,89,000	36,85,62,000
Floating Debt (net incurred)	—	—	—	—
Unfunded Debt (net incurred)	2,96,51,483	5,01,85,000	10,52,36,000	7,51,45,000
Deposits and Advances (net)	17,82,38,542	11,42,69,000	4,89,88,000	15,42,67,000
Loans and Advances by Central Government (net Repayments)	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	37,92,494	—	—	1,38,000
Balances of Provincial Governments (net)	6,34,730	—	5,03,81,000	—
Total Receipts	87,94,85,197	54,98,89,000	59,94,45,000	60,86,53,000
Total	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112
DISBURSEMENTS—				
Revenue Deficit	15,01,76,392	—	—	—
Construction of State Railways	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital Outlay on Indian Postal and Telegraph Department	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	2,25,219	22,000	7,000	—
Initial Expenditure on new Capital at Delhi	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Redemption of Liabilities involved in the purchase of Railways	—	—	—	27,07,03,000
Payments for Discharge of Debentures (net)	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Floating Debt (net Discharged)	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Loans between Central and Provincial Governments (net Advances)	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	—	80,15,000	10,69,000	—
Balances of Provincial Governments (net)	—	1,20,12,000	—	3,00,23,000
Total Disbursements	86,82,52,072	67,03,77,000	58,32,38,000	79,58,69,000
Closing Balance	35,78,00,112	19,26,51,987	37,40,07,112	18,67,91,112
Total	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112
DISTRIBUTION OF CLOSING BALANCE—				
Closing Balance, India	25,95,80,424	14,76,21,170	29,77,01,424	13,87,36,424
Closing Balance, England	(b)9,82,19,688	(b)4,50,30,817	(b)7,63,05,688	(b)4,80,54,688

^a Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

^b Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

VI.—GOLD STANDARD RESERVE.

In accordance with the recommendation made by Sir Henry Fowler's Committee, it was decided that, with effect from 1st April, 1900, the net profit from the coinage of rupees should not be treated as Revenue, but should be held as a special reserve (now called the Gold Standard Reserve).

The principal objects for which the Reserve is maintained are (1) to provide funds from which the Secretary of State for India can finance his requirements at times when he cannot conveniently arrange for remittance of funds from India by selling Council drafts on India or otherwise, and (2) to furnish resources against which, in normal times, sterling drafts may, if necessity arises, be sold by the Government of India to remitters in India, with a view to preventing a depreciation of the exchange. The earlier history of the Reserve is described in the Explanatory Memorandum for 1922-23. [Command Paper 1766 of 1922.]

In 1921-22 and 1922-23 the assets of the Gold Standard Reserve in excess of £40,000,000, on the basis of current market prices, were appropriated in reduction of the outstanding fiduciary currency; but in 1923-24 the corresponding assets were appropriated to revenue, and a similar appropriation is proposed for 1924-25.

Statistics, etc., regarding the Gold Standard Reserve.

The total receipts from profit on coinage, interest and discount, and profit by exchange up to 31st March, 1924, were as follows:—

	£
Profits on Coinage—1900-01 to 1923-24 ...	28,573,606
Interest and discount	18,153,045
Profit by exchange	194,917
	<u>£46,921,568</u>

Of this sum, £1,123,655 has been used for capital expenditure on railways; the remainder, out of which £2,866,217 has been transferred to the Paper Currency Reserve in reduction of created Rupee securities and £1,199,128 has been transferred to Revenue, has been paid to the Reserve. The following table shows the disposal of the sums paid to the Reserve up to 31st March, 1924:—

	£	£	
Profits on Coinage paid to Gold Standard Reserve—			
Total Profits realized			
1st April, 1900, to			
31st March, 1924 ..	28,573,606		
Deduct amount used for Capital Expenditure on Railways ..	1,123,655		
		27,449,951	
Interest and discount received up to 31st March, 1924 ..	18,153,045		
Profit by exchange ..	194,917		
Profit through appreciation ..	20,900		
		18,368,862	
Profits and Interest paid to Reserve from 1st April, 1900, to 31st March, 1924 ..		45,818,813	
Deduct—			
Loss on Sale, Redemption, and Conversion of Securities ..	1,732,894		
Transferred to Paper Currency Reserve in reduction of created securities ..	2,866,217		
Transferred to Revenue	1,199,128		
Miscellaneous Charges	20,574		
		5,818,813	
Amount of Reserve on 31st March, 1924 ..		£40,000,000	£40,000,000

Sterling Securities held in England (estimated value) 39,999,059
Cash held in England on account of the Reserve 941

The Securities, estimated at £39,999,059 (as shown above), were as follows:—

Securities.	Nominal Value.	Cost Price.	Estimated Value on 31st March, 1924.
	£	£	£
Exchequer Bonds	3,275,000	3,405,516	3,354,565
Guaranteed 2½ per cent. Stock .. .	438,720	407,187	252,264
National War Loan	717,601	708,127	721,868
National War Bonds	6,780,000	7,177,323	7,241,698
Treasury Bonds	4,790,000	4,859,625	4,909,106
Treasury Bills	23,605,000	23,420,381	23,519,558
Total	39,606,321	39,978,159	39,999,059

The net profit on the Gold Standard Reserve Investments up to 31st March, 1924, is shown below:—

Estimated value of securities on 31st March, 1924	£ 39,999,059
Cost price of securities held on 31st March, 1924	39,978,159
Gain through Appreciation	20,900
Loss on sale and redemption of securities	1,732,894
Net loss	1,711,994
Miscellaneous charges	20,574
Total of losses and charges	1,732,568
Interest and Discount received up to 31st March, 1924	£ 18,153,045
Profit by exchange	194,917
	<u>18,347,962</u>
Net profit on Investments	<u>£16,615,394</u>

VII.—EXCHANGE AND REMITTANCE.

The sales in London by the Secretary of State of Bills and Transfers on India, the purchases of sterling in India by the Government of India and the purchases by the Secretary of State of proceeds of loans raised in London by Indian public bodies during the last ten years, have been as follows:—

Year.	Sale of Bills and Transfers on India by the Secretary of State.	Purchases of Sterling by the Govt. of India.	Purchases by the Secretary of State of proceeds of Loans raised in London by Indian public bodies.	Total.	Average Rate of Exchange per Rupee.
1914-15..	£ 7,794,002	—	—	£ 7,794,002	s. d. 1 4-004
15-16..	20,371,460	—	—	20,371,460	1 4-038
16-17..	33,021,429	—	—	33,021,429	1 4-143
17-18..	34,913,141	—	—	34,913,141	1 4-534
18-19..	22,539,438*	—	—	22,539,438	1 5-499
19-20..	27,524,437†	—	—	27,524,437	1 10-643
20-21..	nil	—	—	nil	—
21-22..	nil	—	—	nil	—
22-23..	2,570,026	70,000	2,126,210	4,766,236	1 4-200
23-24..	8,738,705	13,100,000	1,302,959	23,141,664	1 4-632

* In addition, £3,372,617 Council Bills were sold to Exchange Banks under special conditions at the rate of ls. 4-164.

† In addition, £3,701,782 Council Bills were sold to Exchange Banks under special conditions at the rate of ls. 4-524.

The sales by the Government of India of bills and transfers on London during the last ten years have been as follows:—

1914-15 ..	£8,707,000	Bills and Transfers	{ Bills at 1s. 3 $\frac{1}{2}$ d. the rupee Transfers at 1s. 3 $\frac{1}{2}$ d. and 1s. 3 $\frac{1}{2}$ d. the rupee.
1915-16 ..	£4,893,000	Deferred Transfers	at 1s. 3 $\frac{1}{2}$ d.
1918-19 ..	£5,315,000	Transfers	at average rate of 1s. 5 $\frac{1}{2}$ d. the rupee for immediates and 1s. 6 $\frac{1}{2}$ d. for deferreds.
1919-20 ..	£24,544,000	Transfers	at average rate of 2s. 7·986d. the rupee for immediates and 2s. 6·009d. for deferreds.
1920-21 ..	£30,988,000	Transfers	at average rate of 2s. 2·102d. the rupee for immediates and 2s. 2·038d. for deferreds.
1921-22 ..	<i>Nil.</i>		
1922-23 ..	<i>Nil.</i>		
1923-24 ..	<i>Nil.</i>		

VIII.—SEA-BORNE TRADE.

The figures of Exports from, and Imports into, India during 1921-22, 1922-23, and 1923-24, are given in Appendix II (c) on pages 34 to 39.

R. RICHARDS.

India Office,

15th September, 1924.

APPENDIX I.

NOTES ON CERTAIN HEADS OF NET REVENUE AND EXPENDITURE.

NET REVENUE.

Customs.

		<i>Rs.</i>
Accounts, 1922-23	... ..	41,34,65,362
Budget, 1923-24	... ..	45,09,41,000
Revised Estimate, 1923-24	... ..	40,41,53,000
Budget, 1924-25	... ..	45,01,82,000

The large decrease in the Revised Estimate, as compared with the Budget, for 1923-24 was due to a decline in respect of the import duties on sugar, cotton piece-goods, railway plant and rolling-stock, cutlery and hardware, iron and steel, other metals and "other manufactured articles," and of the excise duty on cotton manufactures. The only heads which show a material increase in revenue are the import duty on yarns and textile fabrics other than cotton manufactures and the export duty on jute.

The decline in revenue under sugar was the result of insufficient allowance made in the Budget for the reduction in the tariff valuation which came into force from the 1st January, 1923. The revenue from railway plant and rolling-stock was affected by a decision of the Bombay High Court that stores imported by railway companies working State lines fall within the term "Government Stores," and are not, therefore, liable to duty. An appeal has been preferred to the Privy Council against the decision, but pending the result of the appeal, the stores in question are being passed free of duty.

Fall in prices has affected the customs revenue in the case of articles liable to *ad valorem* duties, and the cotton excise duty has suffered from the adverse conditions which existed in the Bombay cotton mill industry.

The Budget Estimate for 1924-25 allows for an improvement in trade conditions generally and under sugar for the increased tariff valuation which came into force from January, 1924. The Sea Customs Act has been amended so as to make Government stores liable to customs duties with effect from the 1st April, 1924.

Details of the receipts obtained or expected to be obtained under the respective heads are given in the table below.

SEA CUSTOMS.*	Accounts, 1922-23.	1923-24.		Budget, 1924-25.
		Budget.	Revised.	
	Rs.	Rs.	Rs.	Rs.
Imports :—				
Special Import Duties.				
1. Liquors—				
(a) Ale, Beer, Porter, Cider and other fermented Liquors ..	13,49,000	14,90,000	13,75,000	14,40,000
(b) Spirits and Liqueurs	2,10,19,000	2,26,00,000	2,09,00,000	2,22,00,000
(c) Wines	10,78,000	12,00,000	11,40,000	12,00,000
2. Sugar, all sorts	4,40,95,000	5,00,00,000	3,85,00,000	4,55,00,000
3. Tobacco	1,54,76,000	1,60,00,000	1,65,00,000	1,75,00,000
4. Coal, coke and patent fuel ..	4,80,000	5,50,000	2,90,000	3,00,000
5. Mineral oils	1,10,89,000	1,25,00,000	1,35,00,000	1,45,00,000
6. Arms, Ammunition and Military Stores	8,27,000	9,00,000	8,10,000	8,40,000
7. Opium	2,000	3,000	4,000	3,000
8. Cotton yarn and thread	48,86,000	55,00,000	41,60,000	48,00,000
9. Cotton piece-goods	6,39,03,000	6,85,00,000	6,12,00,000	6,60,00,000
10. Matches	1,53,63,000	1,60,00,000	1,47,00,000	1,67,00,000
Duty at 2½ per cent.				
11. Machinery	63,33,000	69,00,000	58,50,000	67,00,000
12. Other articles	2,00,000	2,00,000	2,10,000	2,15,000
Duty at 10 per cent.				
13. Metals—Iron and Steel	1,84,08,000	2,00,00,000	1,71,00,000	1,80,00,000
14. Railway plant and rolling stock ..	1,07,02,000	1,10,00,000	64,00,000	1,30,00,000
15. Other articles	2,89,000	2,01,000	6,50,000	4,62,000
Duty at 15 per cent.				
16. Articles of Food and Drink (excluding sugar and vinegar)	1,22,54,000	1,45,00,000	1,27,00,000	1,40,00,000
17. Raw materials and articles mainly unmanufactured	74,71,000	68,00,000	63,50,000	71,35,000
18. Articles wholly or mainly manufactured—				
(a) Cutlery, hardware, implements and instruments	1,33,40,000	1,48,50,000	1,14,00,000	1,35,00,000
(b) Metals other than Iron and Steel ..	1,07,34,000	1,21,00,000	92,50,000	1,00,00,000
(c) Yarns and textile fabrics (other than cotton manufactures) ..	75,88,000	78,00,000	1,05,00,000	1,20,00,000
(d) All other articles wholly or mainly manufactured ..	3,78,69,000	4,00,00,000	3,70,00,000	4,00,00,000
19. Miscellaneous	52,74,000	60,00,000	52,10,000	60,00,000
Duty at 30 per cent.				
20. Motor cars and cycles	56,08,000	70,00,000	77,00,000	80,00,000
21. Silk piece-goods and other manufactures of silk	80,62,000	85,00,000	77,00,000	80,00,000
22. Pneumatic rubber tyres and tubes ..	32,42,000	37,50,000	31,00,000	33,00,000
23. Other articles	96,82,000	1,10,00,000	97,50,000	1,05,00,000
Government Stores.				
24. Duty on Government Stores other than Railway Stores	—	—	—	53,50,000
Total Imports	33,66,23,000	36,57,84,000	32,39,49,000	36,71,45,000
25. Export duties—				
(a) Hides and skins, raw	42,60,000	25,00,000	24,14,000	25,00,000
(b) Jute (raw and manufactured) ..	3,29,25,000	3,45,00,000	3,70,66,000	3,60,00,000
(c) Rice	1,08,06,000	1,15,00,000	1,11,00,000	1,11,93,000
(d) Tea	44,41,000	55,45,000	47,50,000	49,04,000
26. Sea Customs—Miscellaneous	11,60,000	11,74,000	11,50,000	12,00,000
27. Land Customs	20,76,000	20,33,000	20,00,000	23,00,000
28. Excise Duty on Cotton manufactures	1,87,34,000	1,88,15,000	1,50,00,000	1,75,00,000
29. Excise Duty on Motor Spirit	64,69,000	60,00,000	65,00,000	68,00,000
30. Excise Duty on Kerosene	92,32,000	90,90,000	98,00,000	98,00,000
31. Warehouse and wharf rents and Miscellaneous	4,79,000	10,00,000	5,22,000	8,38,000
Grand Total	42,72,05,000	45,99,41,000	41,42,51,000	46,01,80,000
Deduct—Refunds	1,37,40,000	90,00,000	1,00,93,000	99,93,000
Net Total	41,34,65,000	45,09,41,000	40,41,58,000	45,01,87,000

* The rates of duty shown in this column are those for 1924-25.

Taxes on Income.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Excess Profits Duty.. .. .	1,50,033	nil	1,18,000	nil
Super Tax	7,23,15,293	6,38,57,000	6,54,98,000	5,71,54,000
Income Tax	15,31,13,018	13,45,78,000	14,55,45,000	13,64,66,000
TOTAL TAXES ON INCOME	22,55,78,344	19,84,35,000	21,11,61,000	19,36,20,000
<i>Deduct Refunds</i>	<i>4,41,33,859</i>	<i>66,71,000</i>	<i>1,90,50,000</i>	<i>99,62,000</i>
TOTAL REVENUE	18,13,94,485	19,17,64,000	19,21,11,000	18,36,58,000
<i>Deduct Share of Provincial Governments under Devolution Rules</i>	<i>14,53,335</i>	<i>13,00,000</i>	<i>13,66,000</i>	<i>14,61,000</i>
Revenue of Central Government	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000

Excess Profits Duty.—The Revised Estimate for 1923-24 represents the collection of arrears thrown forward from former years.

Super-tax and Income-tax.—The Revised Estimate of net revenue for 1923-24 is slightly higher than the Budget Estimate for that year.

The total Budget Estimate for 1924-25 falls short of the Revised Estimate for 1923-24 by Rs.84 lakhs. The collections in Bombay are expected to be less by Rs.91 lakhs owing to the depressed condition of the mill industry, and in Bengal by Rs.47 lakhs owing mainly to the revenue for 1923-24 including arrears; on the other hand, increases are expected in Burma (Rs.45 lakhs) and Bihar and Orissa (Rs.12 lakhs) from the collection of arrears thrown forward from the current year.

Share of Provincial Governments.—Under rule 15 of the Devolution Rules, Provincial Governments receive a share in the income-tax collected within their jurisdiction at the rate of three pies on each rupee brought under assessment in respect of which the income-tax assessed has been collected. In consideration of this allocation, the Provincial Governments make fixed annual assignments equivalent to the amount which would have accrued to them in the year 1920-21 if the three-pie rate had been in force in that year.

	<i>Salt.</i>	<i>Rs.</i>
Accounts, 1922-23	6,82,46,112
Budget, 1923-24	11,75,00,000
Revised Estimate, 1923-24	8,70,27,000
Budget, 1924-25.	9,04,62,000

The Revised Estimate for 1923-24 falls short of the Budget Estimate for that year by over Rs.3 crores.

This decrease is mainly due to traders in January and February, 1923, taking large quantities of salt in excess of the normal issue in anticipation of an increase in duty from the 1st March, 1923, and allowing their stocks to run as low as possible in 1923-24 in expectation of a reduction of duty from the 1st March, 1924.

With effect from the 1st March, 1924, the duty on salt imported into, and produced in, India has been reduced from Rs.2½ to Rs.1¼ a maund. It is expected that there will be a rapid replenishment of stocks on account of the reduction of duty, and allowing for the operation of the credit system of sales in Bengal and Madras, the Budget estimate of net revenue in 1924-25 has been placed at Rs.9,04.62 lakhs.

Opium.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Receipts—net revenue	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Charges—including exchange	1,86,60,643	1,88,31,000	2,53,43,000	2,09,03,000
Net receipts	1,92,31,425	2,04,81,000	1,77,21,000	2,24,52,000

Opium is supplied at fixed prices to certain other Governments, principally Malaya, the Netherlands Indies, and Siam; the balance for export is sold by auction at Calcutta. In respect of opium consumed in India only the amount charged to Local Governments as cost of production is credited under this head, the difference between actual price of issue to licensed vendors and cost of production being credited to Provincial revenues under the head of Excise.

As a result of a slightly increased demand for opium in the Far East, the number of chests disposed of by auction during 1923-24 was greater than had been anticipated in the Budget.

Railways.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
State Railways:—				
Gross Receipts	93,22,14,218	95,57,24,000	94,22,02,000	97,06,92,000
Working Expenses	65,96,16,125	63,01,60,000	60,95,00,000	66,43,04,000
Net Traffic Receipts	27,25,98,093	32,55,74,000	33,26,02,000	30,63,88,000
Surplus Profits paid to Companies, &c.	69,40,501	93,77,000	1,11,42,000	1,14,87,000
Interest Charges—				
Interest on capital spent or advanced by the State	16,34,47,349	18,77,90,000	17,37,93,000	19,00,69,000
Interest on capital deposited by Companies	3,35,55,612	3,22,30,000	3,11,79,000	2,80,09,000
Annuities in purchase of Railways	5,13,39,347	5,03,62,000	4,88,36,000	2,97,56,000 ^a
Sinking Funds	47,13,837	49,10,000	47,61,000	— ^b
Total	85,99,96,686	28,51,69,000	26,97,16,000	25,93,21,000
Net Receipts	1,26,01,407	4,04,05,000	6,28,86,000	4,70,67,000
Other receipts (net) or charges (net)*	—4,02,178	—18,79,000	—86,000	—12,53,000
Net Receipts (all Railways)	1,21,99,229	3,85,26,000	6,28,00,000	4,58,14,000

* Includes (i) receipts and expenditure in respect of Subsidiary Companies and (ii) miscellaneous expenditure which cannot be allocated to specific companies.

^(a) Represents only the interest portion of the annuities, the capital portion being now included under

^(b) Reduction or Avoidance of Debt.

^(b) Now included under "Reduction or Avoidance of Debt."

The position of the Railway Revenue Account in recent years is exhibited in the following table:—

				Rs.
1919-20	...	...	Net receipts†	13,81,01,444
1920-21	...	...	Net receipts†	5,64,09,263
1921-22	...	...	Net expenditure†	9,08,99,743
1922-23	...	...	Net receipts	1,21,99,229
1923-24	{	(Budget)...	Net receipts	3,85,26,000
		(Revised Estimate)	Net receipts	6,28,00,000
1924-25	(Budget)...	...	Net receipts	4,58,14,000

These figures are arrived at after charging in the Account all interest charges, payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of various railways, except that, with effect from 1924-25, the capital portions of the annuity payments are excluded from the railway account and are charged under the head "Reduction or Avoidance of Debt."

State Railways.—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies receiving guaranteed interest on their share capital and a share of the surplus profits. Among the most important of the lines included in the latter class are the East Indian, Bengal-Nagpur, Bombay Baroda and Central India (including Rajputana-Malwa), Madras and Southern Mahratta, South Indian, Great Indian Peninsula (including the Indian Midland Railway), Assam-Bengal, and Burma Railways. The East Indian Railway will come under State management after December, 1924.

The Revised Estimate, as compared with the Budget, for 1923-24 shows a decrease of Rs.1½ crores in Gross Receipts, due to traffic not coming up to expectations during the autumn months and to interruption of traffic as a result of flood damages to several railways. This decrease is more than set off by a decrease of Rs.2 crores in Working Expenses.

In the Budget for 1924-25, the Gross Receipts have been estimated at Rs.97 crores, being Rs.2¾ crores more than the Revised Estimate for 1923-24. This is based on anticipations of normal conditions of trade and a favourable harvest. Provision is also made, in the Budget, for an increase in Working Expenses of about Rs.5½ crores, as compared with the Revised Estimate for 1923-24.

† Excluding receipts from surtax on goods traffic amounting to—

	Rs.
1919-20	96,76,204
1920-21	1,07,79,507
1921-22	5,63,91,517

Posts and Telegraphs.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Indian Postal and Telegraph Department:—				
Gross Receipts	9,67,03,290	10,80,99,000	9,86,79,000	10,14,54,000
Expenditure	9,40,47,113	8,90,13,000	9,34,19,000	9,03,05,000
Net Receipts	26,56,177	1,40,81,000	52,60,000	1,11,49,000
Indo-European Telegraph Department:—				
Gross Receipts	46,11,187	40,84,000	48,72,000	46,00,000
Expenditure	27,36,452	26,63,000	29,00,000	29,08,000
Net Receipts	18,74,735	14,16,000	19,72,000	6,92,000
Total Net Receipts—Posts and Telegraphs	45,30,912	1,54,97,000	72,32,000	1,18,41,000

Indian Postal and Telegraph Department.—The Revised Estimate of Gross Receipts for 1923-24 falls short of the Budget Estimate by Rs.44½ lakhs. The latter estimate was, however, based on the Revised Estimate of the previous year, which included erroneous adjustments of Rs.22 lakhs provisionally made under this head. The estimate for 1923-24 was therefore vitiated to this extent and the real deficit in the Revised Estimate may be taken at Rs.22 lakhs. This deficit is due mainly to continued trade depression, which is particularly shown in the falling off in the receipts for foreign telegrams. Diversion of traffic owing to the re-opening of the Indo route to Europe and of the Aden-Colombo cable to the Far East is also responsible for a decline in receipts.

The estimate of revenue for 1924-25 provides for an increase of Rs.27¾ lakhs over the Revised Estimate for 1923-24. Allowance is made for normal growth and in expectation of improved trade conditions in 1924-25. Increased revenue will be received from the revised rates for insurance of postal articles in the inland post, from the enhancement of fees for purpose of Customs formalities of foreign parcels, and from anticipated increases in the charges made to railway and canal administrations for the maintenance of their lines.

Currency.

The greater part of the net revenue receipts shown under Currency arises from the interest on the securities in the Paper Currency Reserve. Under the Indian Paper Currency Act this interest was earmarked for reduction of created securities in the Paper Currency Reserve. This provision has, however, been temporarily suspended since 1921-22, and the interest credited to revenue.

Provincial Contributions and Adjustments.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Contributions and Assignments	9,20,00,000	9,20,00,000	9,20,00,000	9,20,12,000
Miscellaneous adjustments (net receipts or charges)	2,93,608	-2,28,000	-15,50,000	-20,66,000
Total (net receipts)	9,22,93,608	9,17,74,000	9,04,50,000	8,99,46,000

Contributions.—It was provided by the Devolution Rules, made under para. 45A of the Government of India Act, that in the year 1921–22 contributions of specified amount, and in future years similar contributions or such smaller sums as might be determined by the Governor-General in Council, should be paid by the Local Governments to the Government of India. If for any year the total of the contributions were reduced, reductions should be made in respect of those Local Governments only whose last previous annual contribution should have exceeded the proportion specified below of the smaller sum so determined as the total contribution; and any reduction so made should be proportionate to such excess.

Name of Province.	Contribution for 1924–25 (in lakhs of Rupees).	Normal Proportion of future contributions to reduced total.
Madras	348	17/90
Bombay	56	13/90
Bengal	<i>Nil.*</i>	19/90
United Provinces	240	18/90
Punjab	175	9/90
Burma	64	6½/90
Bihar and Orissa	<i>Nil.</i>	—
Central Provinces.. .. .	22	5/90
Assam	15	2½/90

* For temporary remission of Bengal contribution (Rs. 63 lakhs), see footnote on page 4.

The Budget of 1924–25 also includes a contribution of Rs.12,000 from Coorg, under the Coorg Devolution Rules, 1924, towards the pay of the Chief Commissioner and his establishment.

Assignments.—The assignments made to central revenues by each Provincial Government, under Devolution Rule 15 (2), in consideration of the grant to them of a share in the income-tax collected within their respective jurisdictions, were prior to 1922–23 accounted for under this head. They have since been transferred to the head “Taxes on Income.”

The Budget for 1924–25 includes Rs.22 lakhs, under Miscellaneous Assignments, for assignments to Provincial Governments in respect of Customs duty on stores imported by them.

Miscellaneous Civil Receipts.

	<i>Rs.</i>
Accounts, 1922–23	16,76,985
Budget, 1923–24	11,35,000
Revised Estimate, 1923–24	2,84,36,000
Budget, 1924–25	34,10,000

The large increase shown under this head in the Revised Estimate for 1923-24 is due to the inclusion of Rs.244 lakhs out of profits from the control of enemy ships, and Rs.37 lakhs profit from the sale of £2 millions of gold from the Paper Currency Reserve.

The Budget figure for 1924-25 of Rs.34,10,000 includes about Rs.25 lakhs of the profits from the control of enemy ships, reserved for payment of *ex gratia* grants to private individuals who suffered from enemy action during the war.

NET EXPENDITURE.

Debt Services.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Total payments for Interest on Debt ..	33,88,20,526	35,36,73,000	34,16,05,000	35,02,90,000
<i>Deduct amounts chargeable to—</i>				
Railways	16,34,47,349	18,77,90,000	17,37,93,000	19,00,69,000
Irrigation	12,19,882	10,83,000	12,33,000	12,41,000
Posts and Telegraphs	59,16,002	63,28,000	63,50,000	71,00,000
Provincial Governments	3,02,00,692	4,00,15,000	3,74,90,000	4,46,08,000
<i>Total Deductions</i>	20,07,82,925	23,57,21,000	21,58,81,000	24,30,18,000
Interest on Ordinary Debt	10,80,37,601	11,79,52,000	12,27,24,000	10,72,72,000
Interest on other Obligations†	3,08,95,828	3,21,61,000	3,09,65,000	3,64,06,000
Reduction or Avoidance of Debt	2,28,56,311	2,20,44,000	1,37,99,000	3,96,73,000
<i>Total</i>	16,15,89,540	17,21,57,000	16,74,88,000	18,32,51,000
<i>Interest Receipts on loans, &c., in India and England</i>	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Net Interest Payments (other than those chargeable to Railways, Irrigation, Posts and Telegraphs, and Provincial Governments)	15,00,18,844	14,70,61,000	13,50,63,000	15,15,26,000

† The nature of these "other obligations" is explained on p. 16.

Owing to the improved state of the Government securities market, it has been unnecessary to utilise any portion of the additional provision of Rs.80 lakhs made since 1921-22 for the purpose of supporting the two long-term 5 per cent. rupee loans. In the Budget for 1924-25, however, additional charges are included for the capital portion of the annuities in purchase of railways and the railway sinking funds, both of which have in previous years been a charge under the head of railways. The debt head in 1924-25 also includes a new provision of Rs.11 lakhs for avoidance of debt, being the equivalent of the Customs duty collected from State Railways on stores imported by them for capital purposes.

The receipts include interest received in England on the balances of the Secretary of State and in India on loans granted by the Central Government to Native States and to Railway Companies. The amount "chargeable to Provincial Governments" includes interest on the outlay to the end of 1920-21 on irrigation works transferred under the Reforms Scheme to those Governments.

Military Services.

	Accounts, 1922-23.	Budget, 1923-24.	Revised Estimate, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.	Rs.
Army	59,86,87,257	57,17,67,000	55,31,21,000	55,48,72,000
Marine	1,07,26,080	75,07,000	68,66,000	76,76,000
Military Works and Special Defence Works	4,32,66,753	4,07,26,000	3,74,32,000	3,99,52,000
Total	65,26,80,090	62,00,00,000	59,74,19,000	60,25,00,000

The details of the Army Charges, which form the most important part of the charges grouped together in the table above, are as follows :—

	Accounts, 1922-23.	1923-24.		Budget, 1924-25.
		Budget.	Revised.	
	Rs.	Rs.	Rs.	Rs.
EXPENDITURE.				
India—				
(A.) Standing Army.				
<i>Effective Services.</i>				
Maintenance of the Standing Army ..	30,29,54,305	31,30,55,530	29,11,48,000	28,40,46,320
Cost of Educational, etc., establishments and Working expenses of Hospitals, Depots, etc.	9,40,68,632	8,72,92,700	9,24,52,000	8,27,19,750
Army Headquarters, Staff of Com- mands, etc.	2,14,39,704	2,02,82,720	2,04,03,000	2,05,19,510
Stock Account	2,98,64,230	3,11,41,500	3,54,99,000	1,47,38,490
Special Services	5,45,82,360	1,42,11,580	2,16,41,000	57,94,780
Miscellaneous Charges	1,94,78,050	1,85,64,970	1,33,75,000	1,93,86,130
Unadjusted Expenditure	—24,84,020	—	—	—
Total, Effective Services	46,01,74,801	42,22,66,000	40,35,20,000	39,67,28,000
<i>Non-Effective Services</i>				
Non-effective charges	5,92,75,452	5,48,27,000	5,64,97,000	5,38,86,000
Exchange on Home Expenditure	—	—	—	—
(B.) Auxiliary and Territorial Forces				
Effective	95,45,770	1,07,54,000	1,01,87,000	1,11,95,000
(C.) Royal Air Force				
Effective	1,10,55,114	1,94,54,000	1,32,58,000	1,29,97,000
Non-Effective	—	—	62,000	5,000
Total	1,10,55,114	1,94,54,000	1,33,20,000	1,30,02,000
Total Expenditure, India	48,07,75,685	44,64,74,000	42,69,65,000	42,09,20,000
Effective	48,07,75,685	44,64,74,000	42,69,65,000	42,09,20,000
Non-effective	5,92,75,452	5,48,27,000	5,65,59,000	5,38,91,000
Total	54,00,51,137	50,13,01,000	48,35,24,000	47,48,11,000
England—				
(A.) Standing Army.				
<i>Effective Services.</i>				
Maintenance of the Standing Army ..	3,196,815	2,937,500	2,973,500	2,694,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.	235,000	191,700	252,600	196,500
Army Headquarters, Staff of Com- mands, etc.	51,168	51,000	42,000	42,000
Stock Account	1,813,415	1,441,300	1,160,500	1,575,900
Special Services	453,622	415,000	600,000	1,050,000
Miscellaneous Charges	740,124	633,500	728,800	638,000
Total, Effective Services	6,490,144	5,670,000	5,957,400	6,196,900
<i>Non-Effective Services</i>				
Non-effective charges	3,422,486	3,563,000	3,624,800	3,748,200
(C.) Royal Air Force (Effective)				
	788,271	486,500	570,600	454,800
	10,700,901	9,719,500	10,152,800	10,399,900
	Rs.	Rs.	Rs.	Rs.
Total Expenditure, England ..	10,70,09,013	9,71,95,000	10,15,28,000	10,39,99,000
Total Expenditure in India and in England	55,35,59,841	50,80,39,000	49,22,45,000	48,74,37,000
Effective	55,35,59,841	50,80,39,000	49,22,45,000	48,74,37,000
Non-effective	9,35,00,309	9,04,57,000	9,28,07,000	9,13,73,000
Total	64,70,60,150	59,84,96,000	58,50,52,000	57,88,10,000

	Accounts, 1922-3.	1923-24.		Budget, 1924-25.
		Budget.	Revised.	
RECEIPTS.				
	Rs.	Rs.	Rs.	Rs.
India ..	3,74,90,393	2,11,55,000	2,53,50,000	1,78,21,000
{ Effective	18,75,003	15,96,000	15,49,000	14,47,000
Total	3,93,65,396	2,27,51,000	2,68,99,000	1,92,68,000
England	£	£	£	£
	900,750	397,800	503,200	467,000
{ Effective	74,81,527	27,83,000	38,20,000	35,85,000
Non-effective	15,25,970	11,95,000	12,12,000	10,85,000
Total	90,07,497	39,78,000	50,32,000	46,70,000
Total Receipts	4,49,71,920	2,39,38,000	2,91,70,000	2,14,06,000
{ Effective	34,00,973	27,91,000	27,61,000	25,32,000
Non-effective	4,83,72,893	2,67,29,000	3,19,31,000	2,39,38,000
Total—Net Expenditure	50,06,85,741	47,85,50,000	45,66,25,000	45,55,43,000
{ India	9,80,01,516	9,32,17,000	9,64,96,000	9,93,29,000
England	50,85,87,921	48,41,01,000	46,30,75,000	46,60,31,000
{ Non-effective	9,00,99,336	8,76,66,000	9,00,46,000	8,88,41,000
Total	59,86,87,257	57,17,67,000	55,31,21,000	55,48,72,000

In the Revised Estimate for 1923-24, as compared with the Budget provision for that year, increases on account of retention of additional establishments in Waziristan, charges on account of surplus officers of the Indian Army, and higher non-effective charges, were more than counterbalanced by savings due mainly to shortages and reductions in establishments, increase in credits from consumption or disposal of surplus stores, savings in proficiency pay of British soldiers due to fewer recipients, reduction of British cavalry and artillery units which had effect during a portion of the year, and the fall in prices of foodstuffs.

The Budget for 1924-25 includes (under Expenditure in England) £800,000 for the retirement of surplus officers of the Indian Army and £250,000 for payment to the War Office of the balance of their claim in regard to exchange concession on war gratuities of British officers and soldiers.

The net expenditure on Military services provided for in the Budget of 1924-25 is greater than the Revised Estimate for 1923-24 by Rs.50·81 lakhs.

Net Expenditure.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
Military Services (Army, Marine and Air Force) continued—	£	£	£
Sea Transport Charges (less receipt of £130,000 from the War Office)	647,659	565,800	511,000
Unemployment Insurance	177,258	86,000	80,000
Contribution to the expenses of His Majesty's Ships in Indian Seas	100,039	100,000	100,000
Furlough Pay	811,439	648,300	589,700
Stores	2,446,855	1,749,400	1,974,100
Marriage Allowances and Allotments	580,692	506,000	506,000
Gratuities to Surplus Officers of Indian Army	465,865	801,300	800,000
Lump Sum Composition on account of War Liabilities	290,000	—	—
War Gratuities Exchange Concession	—	—	250,000
Other Effective Charges	199,075	109,400	53,800
Retired Pay of British Forces for Service in India	1,068,000	1,130,000	1,292,000
Retired Pay of Indian Services	1,854,871	2,013,200	2,004,800
Family and Miscellaneous Pensions	382,495	413,800	403,500
Total	28,956,496	26,500,050	28,265,500
Expenditure by Secretary of State	23,023,151	21,396,600	23,277,500
" " High Commissioner	5,933,345	5,103,450	4,988,000
Total	28,956,496	26,500,050	28,265,500

Expenditure in England not charged on the Revenue of the year :—

Expenditure.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	£	£	£
Capital outlay on State Railways	9,868,149	10,775,200	30,068,400*
" " Irrigation Works	95	200	—
New Capital at Delhi	179,037	73,100	53,800
Total	10,047,281	10,848,500	30,122,200
Expenditure by Secretary of State	7,555,225	8,978,500	27,017,700
" " High Commissioner	2,492,056	1,870,000	3,104,500
Total	10,047,281	10,848,500	30,122,200

* Including £18,500,000 East Indian Railway Debenture Stock for which the Secretary of State incurs a liability on termination of the Company's contract.

APPENDIX II. (b).

RAILWAYS.

(i). *Route Mileage and Traffic (including railways outside Government accounts).*

Length of railways open in India on 31st March, 1922	37,265 miles
Additional mileage opened in 1922-23	381.69 "
Length of railways open in India on 31st March, 1923, after allowing for corrections due to realignments, etc.	37,618 "

	1921-22.	1922-23.
Number of passengers carried	569,684,300	572,695,400
Earnings from passengers carried	Rs. 34,29,32,000	37,59,22,000
Weight of goods traffic in tons	90,142,000	93,704,000
Earnings from goods tonnage	Rs. 49,05,81,000	57,87,55,000

(ii). Capital at Charge and Net Revenue Receipts.

Class and Name of Railway.	Capital at Charge on 31st March, 1923.	Net Revenue Receipts, 1922-23.	Percentage of Net Revenue Receipts on Capital at Charge.
<i>State Railways worked by the State :—</i>	<i>Rs.</i>	<i>Rs.</i>	
Aden Railway	14,04,837	—62,739	—4.45
Delhi New Capital Railway Works Scheme.. ..	42,25,444	—	—
Eastern Bengal	40,76,43,502	83,73,298	2.05
<i>North-Western :—</i>			
<i>Commercial :—</i>			
Main Line	77,98,02,248	2,88,26,082	3.69
Laki Pezu Tank	35,28,632	—	—
<i>Military :—</i>			
Main Line	19,96,15,838	—67,07,641	—3.36
Nushki Extension.. .. .	3,12,08,540	—	—
Kaur Khirgi	14,79,377	—	—
Tank Murtaza	18,38,219	—	—
Frontier Railway Reserve	51,70,448	—	—
Khyber	1,39,39,191	—	—
Oudh and Rohilkhand	25,33,26,940	1,23,28,111	4.86
<i>State Railways worked by Companies or by Indian States :</i>			
Assam-Bengal	18,41,86,524	28,29,023	1.54
Bengal-Nagpur	57,16,21,257	3,27,53,888	5.73
Bezwada Extension	13,95,989	1,78,654	12.79
Bombay, Baroda and Central India	54,20,83,329	3,51,02,756	6.47
Dholks-Dhanduka	21,03,305	—	—
Burma Railways (including Extension)	23,46,71,845	1,63,01,594	6.94
East Indian	80,71,64,272	5,54,36,686	6.86
Great Indian Peninsula	77,31,48,602	3,53,06,966	4.57
Agra-Delhi Chord	1,50,77,364	12,76,256	8.46
Baran-Kotah	49,59,057	97,482	1.96
Bhopal	45,32,148	3,25,642	7.19
Cawnpore-Banda	82,09,700	96,140	1.17
Jodhpur-Hyderabad	48,36,077	1,82,822	2.75
Lucknow-Bareilly (Rohilkhand and Kumaon)	1,62,54,024	16,54,574	10.18
Madras and Southern Mahratta	41,92,43,300	2,54,14,628	6.06
Dhone-Curnool	10,18,342	62,650	6.15
South Indian	19,27,04,723	1,45,35,861	7.54
Coonoor Ootacamund	49,29,326	—	—
Tinnevely-Quilon (British Section)	44,07,126	—	—
Tinnevely-Quilon (Indian State Section)	1,33,57,260	5,84,053	3.29
Tirhoot (Bengal and North-Western)	8,52,78,159	77,51,307	9.09
	5,59,43,74,945	27,25,98,093*	4.87
Stores, abandoned projects, etc... .. .	1,81,97,687	—	—
Total	5,61,25,72,632	27,25,98,093*	4.86

* Differs from figure of "Working Profit" shown in table on page 14, which takes into account "Miscellaneous Receipts" and "Payments on account of Surplus Profits."

**APPENDIX II. (c).
SEA-BORNE TRADE.**

(i). Summary of Sea-borne Trade.

	1921-22.	1922-23.	1923-24.
<i>On Private Account.</i>			
	Rs.	Rs.	Rs.
Exports of Merchandise	2,45,44,35,012	3,14,32,52,588	3,61,67,08,568
Imports of Merchandise	2,66,34,63,422	2,32,70,76,893	2,27,62,65,006
Net Exports or Imports of Merchandise ..	20,90,28,410	81,61,75,705	1,34,04,43,562
Net Imports or Exports of Gold	2,79,23,299	41,18,05,774	29,18,64,015
Net Imports or Exports of Silver	14,94,83,819	18,17,66,295	13,33,13,902
Net Imports or Exports of Currency Notes ..	*	90,54,670	1,03,08,531
Net Imports of Treasure	12,15,64,920	60,26,26,739	43,64,36,748
Net Exports or Imports of Merchandise and Treasure on Private Account.	33,05,93,330	21,35,48,966	85,39,56,814
<i>Government Transactions.</i>			
Imports of Merchandise	16,25,12,031	13,48,47,216	9,54,53,859
Exports of Merchandise	3,21,41,094	1,74,64,317	1,46,54,788
Net Imports of Merchandise	13,03,70,937	11,73,82,899	8,07,99,071
Net Imports or Exports of Gold	7,21,128	1,02,772	—
Net Imports of Silver	14,73,599	17,30,361	31,66,135
Net Imports of Currency Notes	*	11,14,379	66,55,123
Net Imports of Treasure	7,52,462	29,97,512	83,21,308

* Currency notes not recorded prior to 1922-23.

(ii). Sea-borne Trade—Analysis of Imports of Merchandise, showing the principal articles separately.

	1921-22.	1922-23.	1923-24.
<i>A. On Private Account.</i>			
I. Food, Drink and Tobacco:—			
	Rs.	Rs.	Rs.
A. Fish (excluding canned fish)	18,77,064	24,29,949	29,66,906
B. Fruits and Vegetables	1,68,00,317	1,83,57,258	1,70,79,994
C. Grain, Pulse and Flour	9,35,58,903	54,32,031	43,89,626
D. Liquors	3,37,20,051	3,00,93,579	2,72,14,475
E. Provisions and Oilman's Stores	2,70,36,255	2,77,30,379	2,80,79,662
F. Spices	1,92,59,480	2,45,34,648	2,58,77,550
G. Sugar	27,50,28,258	15,48,89,968	15,45,06,457
H. Tea	55,39,983	45,52,265	82,26,291
I. Other Food and Drink	1,69,67,853	1,93,87,376	1,29,57,099
J. Tobacco	1,65,05,763	2,25,67,007	2,26,18,495
Total, Class I.	50,62,93,927	30,99,74,460	30,39,16,549
II Raw Materials and Produce and articles mainly un-manufactured:—			
A. Coal	5,78,01,678	3,08,92,733	1,65,85,004
B. Other Non-metallic mining and quarry products and the like	1,15,19,040	2,62,69,383	2,19,80,062
C. Fodder, Bran and Pollards	80,256	98,798	72,559
D. Gums, Resins and Lac	41,00,398	57,95,251	51,74,989
E. Hides and Skins, raw or undressed	9,81,734	9,77,183	15,50,255
F. Metallic Ores and Scrap Iron or Steel for re-manufacture	8,67,489	1,25,458	7,27,341
G. Oils—Vegetable, Mineral and Animal	7,56,14,065	7,00,15,669	8,64,75,312
H. Oilcakes of all kinds	18,878	10,448	12,522
I. Paper making materials	43,67,918	24,25,837	20,45,708
J. Rubber, raw or crude	3,037	421	45,811
K. Seeds, including nuts for oils	16,73,386	4,54,157	5,64,339
L. Tallow, Stearine and Wax	21,25,857	27,21,058	27,04,637
M. Cotton, raw and waste	3,44,30,736	1,73,41,612	2,50,82,208
N. Jute, raw	2,896	6,200	1,17,047
O. Silk, raw and waste	1,35,22,974	1,60,32,645	1,21,99,609
P. Wool, raw	9,11,710	13,04,629	40,54,840
Q. Other Textile Materials	8,68,625	5,65,291	6,02,042
R. Wood and Timber	86,33,292	49,18,264	36,33,675
S. Miscellaneous	58,82,787	58,06,491	53,71,028
Total, Class II.	22,34,06,746	18,57,59,526	18,92,56,968

(ii). *Sea-borne Trade—Analysis of Imports of Merchandise, showing the principal articles separately—continued.*

	1921-22.	1922-23.	1923-24.
A. On Private Account (continued).			
III. Articles wholly or mainly manufactured :—	Rs.	Rs.	Rs.
A. Apparel	1,28,03,926	1,27,14,290	1,66,69,495
B. Arms, Ammunition and Military Stores	70,10,666	62,82,839	64,63,449
C. Chemicals, Drugs and Medicines	3,74,56,614	3,92,04,651	4,12,37,482
D. Cutlery, Hardware, Implements and Instruments (excluding Electrical Instruments and Apparatus)	7,87,17,505	6,73,48,356	5,91,02,532
E. Dyes and Colours	4,49,09,858	4,23,20,363	4,29,56,664
F. Electrical Goods and Apparatus (other than Machinery)	4,06,34,401	2,15,85,597	2,25,92,130
G. Furniture, Cabinetware and Manufactures of Wood and Timber	54,28,986	25,85,855	45,51,072
H. Glassware and Earthenware	3,02,02,026	3,40,46,571	3,17,27,228
I. Hides and Skins, tanned or dressed, and Leather	66,42,567	52,39,343	52,32,121
J. Machinery of all kinds, including Belting for Machinery	35,49,21,092	24,41,08,552	20,22,69,778
K. Metals, Iron and Steel, and Manufactures thereof	21,05,99,511	18,36,12,356	17,91,06,235
L. Metals, other than Iron and Steel, and Manufactures thereof	5,05,14,863	6,91,87,914	6,39,79,719
M. Paper, Pasteboard and Stationery	3,25,48,789	3,70,41,196	3,60,14,076
N. Railway Plant and Rolling Stock	18,91,06,135	11,05,80,847	11,72,46,081
O. Rubber Manufactures	1,54,35,372	1,80,19,646	1,67,96,394
P. Vehicles (excluding Locomotives, etc., for Railway)	4,41,53,282	3,42,56,501	4,34,09,478
Q. Cotton Yarns and Manufactures	56,93,80,548	70,13,02,032	67,48,45,758
R. Jute	19,84,191	16,79,300	20,81,959
S. Silk	2,98,70,549	3,16,54,472	3,40,16,996
T. Woollen	1,22,86,854	1,51,56,436	2,44,09,761
U. Other Yarns and Textile Fabrics	1,07,79,630	1,60,62,820	2,55,78,821
V. Miscellaneous	10,52,53,742	10,00,47,887	9,64,01,949
Total, Class III.	1,89,06,41,107	1,79,40,37,824	1,74,66,83,178
IV. Living Animals.—			
A. Horses	19,98,060	24,53,585	17,98,194
B. Other Living Animals	1,43,109	1,29,048	1,88,799
Total, Class IV.	21,41,169	25,82,633	19,86,993
V. Postal Articles not specified	4,09,80,473	3,47,22,450	3,44,19,298
Total value of Imports of Merchandise on Private Account	2,66,34,63,422	2,32,70,76,893	2,27,62,65,006
B. Government Stores (a)	16,25,12,031	13,48,47,216	9,54,53,859
Grand Total, Imports of Merchandise	2,82,59,75,453	2,46,19,24,109	2,37,17,18,865

(iii). *Sea-borne Trade—Analysis of Exports of Merchandise, showing the principal articles separately.*

	1921-22.	1922-23.	1923-24.
A. On Private Account.			
I. Food, Drink and Tobacco :—	Rs.	Rs.	Rs.
A. Fish (excluding Canned Fish)	60,35,208	54,25,327	62,83,973
B. Fruits and Vegetables	63,23,260	63,11,819	71,78,497
C. Grain, Pulse and Flour	29,98,97,517	42,47,63,223	50,87,14,693
D. Liquors	18,569	49,418	17,595
E. Provisions and Oilman's Stores	70,66,738	60,91,640	60,34,650
F. Spices	1,00,35,539	1,09,79,949	1,10,83,958
G. Sugar	24,86,690	40,48,839	96,97,444
H. Tea	18,22,01,913	22,04,00,383	31,62,08,389
I. Other Food and Drink	1,39,24,522	1,24,74,230	1,57,64,597
J. Tobacco	1,30,790	82,67,812	1,02,97,301
Total, Class I.	53,51,20,746	69,58,12,640	89,12,83,324

(a) Values for 1921-22 and 1922-23 have been recalculated on basis of average rate of exchange for each year, and values for 1923-24 have been calculated uniformly at the current rate of exchange.

(iii). *Sea-borne Trade—Analysis of Exports of Merchandise, showing the principal articles separately—continued.*

	1921-22.	1922-23.	1923-24.
A. On Private Account.			
II. Raw materials and produce and articles mainly un manufactured :—	Rs.	Rs.	Rs.
A. Coal	15,32,320	14,73,200	22,29,816
B. Other Non-Metallic mining and quarry products and the like	64,91,082	62,35,975	1,07,13,342
C. Fodder, Bran and Pollards	1,14,59,913	1,26,25,569	1,28,45,974
D. Gums, Resins and Lac	7,93,67,860	10,37,27,584	9,18,94,195
E. Hides and Skins, raw or undressed	5,98,13,988	5,70,60,201	7,10,59,529
F. Metallic Ores and Scrap Iron or Steel for re-manufacture	1,70,24,468	2,26,13,442	2,32,97,340
G. Oils—Vegetable, Mineral and Animal	2,84,34,462	3,19,81,409	2,63,50,471
H. Oilcakes of all kinds	1,36,56,732	1,72,22,985	1,94,09,852
I. Paper-making Materials	2,556	1,251	790
J. Rubber, raw or crude	77,16,072	72,50,093	1,14,46,018
K. Seeds, including nuts for oils	17,40,89,414	27,35,38,362	29,81,71,643
L. Tallow, Stearine and Wax	9,13,304	8,75,505	22,42,030
M. Cotton, raw and waste	54,49,07,520	72,07,18,919	99,59,33,038
N. Jute	14,04,91,597	22,52,84,639	20,00,06,328
O. Silk	26,28,546	38,17,258	50,21,392
P. Wool	2,54,46,095	4,41,43,267	3,17,48,608
Q. Other Textile Materials	39,48,896	61,07,816	76,54,282
R. Wood and Timber	58,61,969	94,02,714	1,24,67,022
S. Miscellaneous	1,76,53,799	2,10,63,803	2,55,15,969
Total, Class II.	1,14,14,20,593	1,56,51,43,992	1,84,80,07,639
III. Articles wholly or mainly manufactured :—			
A. Apparel	31,25,343	37,52,933	29,94,494
B. Arms, Ammunition and Military Stores	191	3,532	10,961
C. Chemicals, Drugs and Medicines	2,85,82,113	3,07,51,884	3,25,29,085
D. Cutlery, Hardware, Implements and Instruments (excluding Electrical Instruments and Apparatus)	9,46,588	9,28,322	14,50,983
E. Dyes and Colours	1,33,19,774	1,20,69,826	1,35,64,913
F. Electrical Goods and Apparatus (other than Machinery)	—	—	—
G. Furniture, Cabinetware, and manufactures of wood and timber	11,87,876	8,84,723	7,96,996
H. Glass and Earthenware	2,37,435	3,95,853	2,88,616
I. Hides and Skins, tanned or dressed, and Leather	4,03,36,813	5,16,07,178	6,00,76,699
J. Machinery of all kinds, including belting for machinery	60,991	47,038	1,20,951
K. Metals, Iron and Steel, and manufactures thereof	56,58,533	93,92,890	1,30,70,535
L. Metals, other than Iron and Steel, and manufactures thereof	1,28,56,878	1,63,62,350	2,14,56,760
M. Paper, Pasteboard and Stationery	2,58,816	1,03,188	1,14,000
N. Railway Plant and Rolling Stock	6,67,793	2,34,541	2,53,731
O. Rubber manufactures	4,435	9,331	45,944
P. Vehicles (excluding locomotives, etc., for Railways)	45,952	91,710	63,728
Q. Cotton, yarns and manufactures	15,65,07,166	13,06,21,869	10,95,49,068
R. Jute	29,99,57,186	40,49,41,510	42,28,35,890
S. Silk	2,96,069	2,42,956	4,27,054
T. Woollen	71,31,650	98,41,387	82,62,940
U. Other yarns and textile fabrics	5,30,475	6,29,599	7,05,406
V. Miscellaneous articles, wholly or mainly manufactured	3,12,53,586	3,18,54,491	3,07,15,730
Total, Class III.	60,29,55,663	70,45,67,111	71,93,34,484
IV. Living Animals:—			
A. Horses	95,045	1,10,785	55,510
B. Cattle	16,74,382	8,28,912	8,78,804
C. Sheep and Goats	12,64,322	11,25,513	13,92,741
D. Other living animals	2,58,652	2,63,334	3,32,789
Total, Class IV.	32,92,401	23,28,544	26,59,844

(iii). *Sea-borne Trade—Analysis of Exports of Merchandise, showing the principal articles separately—continued.*

	1921-22.	1922-23.	1923-24.
	Rs.	Rs.	Rs.
V. Postal Articles	3,10,11,484	2,37,67,035	2,46,75,646
Total Value of Exports of Merchandise on private account.	2,31,38,00,887	2,99,16,19,322	3,48,59,60,937
B. Government Stores, Exports	2,29,26,924	1,19,01,479	1,27,69,768
Total Exports of Indian Merchandise	2,33,67,27,811	3,00,35,20,801	3,49,87,30,705
C. Re-exports—On Private Account	14,06,34,125	15,16,33,276	13,07,47,631
Government Stores	92,13,170	55,62,838	18,85,020
Total re-exports	14,98,48,295	15,71,96,114	13,26,32,651
Grand Total, Exports of Merchandise	2,48,65,76,106	3,16,07,16,915	3,63,13,63,356

(iv). *Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, showing separately the principal countries of origin.*

Note.—The figures in this Table are based on a system of registration according to the country of consignment.

Countries.	1921-22.	1922-23.	1923-24.
	Rs.	Rs.	Rs.
British Empire :—			
United Kingdom	1,50,92,06,267	1,40,04,57,405	1,31,60,45,870
Aden and Dependencies	81,67,866	73,20,085	53,50,842
Mesopotamia	91,03,258	1,17,19,037	1,16,26,037
Ceylon	1,37,98,441	1,43,73,244	1,29,61,936
Straits Settlements (including Labuan)	4,07,78,235	4,48,12,596	4,92,31,984
Hong Kong	1,65,55,320	1,45,19,593	1,05,58,550
Egypt*	72,16,357	60,61,145	—
Union of South Africa	1,45,27,842	81,75,862	77,35,256
Mauritius and Dependencies (including Seychelles)	2,17,66,606	1,02,61,568	12,39,819
Zanzibar and Pemba	58,84,189	77,62,951	45,71,576
Kenya Colony	1,75,45,840	1,15,02,272	2,19,06,971
Canada	50,94,615	65,35,697	92,55,527
Australia	9,43,94,275	97,21,604	1,07,03,344
New Zealand	1,40,378	13,377	13,657
Other British Possessions	94,43,003	1,00,15,534	87,69,988
Total—British Empire	1,77,36,22,492	1,56,32,51,970	1,46,99,71,357

* Included in Foreign Countries from 1923-4.

(iv). *Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, showing separately the principal countries of origin—continued.*

Note.—The figures in this Table are based on a system of registration according to the country of consignment.

Countries.	1921-22.	1922-23.	1923-24.
Foreign Countries :—	Rs.	Rs.	Rs.
Russia	4,71,060	1,44,502	15,20,147
Sweden	95,99,871	1,12,64,980	1,32,86,561
Norway	38,15,031	81,79,095	68,05,110
Germany	7,24,55,413	11,88,68,146	11,89,37,022
Holland	2,36,13,387	2,21,94,945	2,28,66,382
Belgium	5,32,93,580	6,31,77,797	5,83,91,176
France	2,23,38,807	1,96,39,719	2,23,06,829
Spain	28,65,721	25,99,292	9,18,972
Switzerland	1,01,89,357	1,09,66,780	1,62,08,627
Italy	2,00,31,144	2,10,43,057	2,74,52,417
Austria	19,83,982	29,47,931	75,61,428
Hungary	30,035	11,770	42,59,513
Turkey, Asiatic	36,354	3,556	2,19,240
Arabia	62,98,868	75,88,990	76,06,400
Persia	1,65,62,937	1,75,29,869	1,79,56,804
Java	23,71,10,672	12,88,74,724	14,03,38,964
Borneo (Dutch)	64,18,796	59,18,514	1,07,32,081
Siam	58,07,741	33,95,023	23,49,789
China (exclusive of Hong Kong and Macao)	2,59,80,859	2,87,24,422	3,51,95,011
Japan	13,57,96,180	14,42,23,308	13,65,27,619
Egypt*	—	—	51,56,279
Portuguese East Africa	1,10,83,942	20,66,721	45,62,241
Italian East Africa	13,55,704	22,10,985	18,80,894
United States of America	21,60,84,782	13,17,97,441	12,79,36,421
Other Foreign Countries	66,16,707	1,04,53,376	1,83,17,722
Total—Foreign Countries	88,98,40,930	76,38,24,923	80,62,93,649
Grand Total	2,66,34,63,422	2,32,70,76,893	2,27,62,65,006

(v). *Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, showing separately the principal countries of destination.*

Note.—The figures in this Table are based on a system of registration according to the country of final destination.

Countries.	1921-22.	1922-23.	1923-24.
British Empire :—	Rs.	Rs.	Rs.
United Kingdom	46,02,24,591	65,91,43,990	86,81,48,914
Gibraltar	2,15,668	1,87,713	89,466
Aden and Dependencies	1,57,60,459	1,57,87,767	1,36,58,216
Mesopotamia	2,81,68,252	2,30,80,361	2,13,15,088
Ceylon	11,56,63,885	12,24,39,835	12,65,06,014
Straits Settlements (including Labuan)	7,43,83,359	7,52,21,258	8,29,73,523
Hong Kong	6,30,46,666	6,62,66,815	4,45,90,803
Egypt*	2,04,06,552	3,55,97,896	—
Union of South Africa	1,92,33,109	2,34,45,543	2,09,16,157
Mauritius and Dependencies (including Seychelles)	2,05,06,620	2,34,57,367	1,77,03,764
Zanzibar and Pemba	53,16,166	67,89,973	71,43,674
Kenya Colony	66,65,711	88,63,768	84,76,504
Canada	1,47,01,076	2,19,00,249	2,35,75,749
British West India Islands	18,38,052	43,09,161	61,34,703
Australia and New Zealand	4,53,69,081	6,05,85,144	6,58,41,248
Other British Possessions	2,10,67,058	2,71,36,439	2,22,98,493
Total—British Empire	91,25,64,305	1,17,42,13,277	1,32,93,74,216

* Included in Foreign Countries from 1923-24.

(v). *Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, showing separately the principal countries of destination—continued.*

Note.—The figures in this Table are based on a system of registration according to the country of final destination.

Countries.	1921-22.	1922-23.	1923-24.
Foreign Countries :—	Rs.	Rs.	Rs.
Russia	35,417	99,000	26,287
Sweden	28,03,755	24,53,232	28,15,433
Norway	24,67,188	38,12,354	38,13,207
Germany	16,27,77,448	22,50,29,798	23,05,04,557
Holland	2,71,31,693	4,02,94,653	5,71,45,381
Belgium	8,00,31,690	11,30,05,740	13,88,33,355
France	9,82,69,723	15,39,16,716	19,85,22,349
Spain	1,81,05,183	3,14,25,661	3,77,70,574
Switzerland	93,750	1,49,427	96,331
Italy	5,83,78,483	10,15,26,499	21,86,39,625
Austria	83,54,841	1,25,63,267	1,42,09,871
Hungary	—	300	—
Turkey, European	20,19,576	14,18,646	26,73,931
" Asiatic	18,76,022	5,47,006	7,23,089
Arabia	2,54,04,749	2,79,69,287	2,32,05,049
Persia	2,17,42,626	2,23,17,254	2,06,91,000
Sumatra	52,20,351	1,05,99,859	85,31,944
Borneo and Java	4,03,65,754	3,13,32,119	3,68,08,394
Siam	1,62,18,596	1,47,33,337	1,71,19,787
Indo-China	2,21,86,076	1,86,90,864	2,38,73,602
China (exclusive of Hong-Kong and Macao)	11,07,17,017	13,63,57,078	10,50,93,094
Japan	38,08,99,994	40,19,90,342	50,05,86,579
Egypt*	—	—	4,21,76,552
Portuguese East Africa	60,42,622	82,65,056	89,34,429
Italian East Africa	6,08,086	10,14,055	11,56,771
Other East African Ports	3,75,685	5,46,247	15,72,489
United States of America	24,90,50,415	34,32,76,703	33,46,53,132
West Indies	1,19,69,087	4,34,53,556	3,06,13,204
South America	3,42,30,481	4,62,77,004	6,75,76,421
Oceania	13,38,936	33,87,387	33,87,541
Other Foreign Countries	1,25,21,338	2,09,53,598	2,48,32,723
Total—Foreign Countries	1,40,12,36,582	1,81,74,06,045	2,15,65,86,721
Grand Total	2,31,38,00,887	2,99,16,19,322	3,48,59,60,937

* Included in Foreign Countries from 1923-24.