

**PITAL FORMATION AND SAVING IN INDIA  
1950-51 TO 1979-80**

**REPORT OF THE  
WORKING GROUP ON SAVINGS**

APPOINTED BY DEPARTMENT OF STATISTICS,  
MINISTRY OF PLANNING, GOVERNMENT OF INDIA

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**FEBRUARY 1982**

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*Published*  
by  
**RESERVE BANK OF INDIA**  
February 1982

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Printed by Girish F. Shah at Prinrite, 24 B Hamam Street, Raja Bahadur Compound, Bombay - 400 023 and Published by Shri S.N. Dalal, Director, Division of Reviews, Reports and Publications, Department of Economic Analysis and Policy, Reserve Bank of India, Bombay - 400 023, on behalf of the Government of India.

## PREFACE

The Working Group on Savings was appointed in May 1981 with the following functions: (i) to undertake a critical review of the available estimates of investment and saving in the economy, both of the aggregates and their components; (ii) to evaluate their interpretational significance; and (iii) to recommend improvements in the methods and procedures of estimation including suggestions as to the possibility of building up regional estimates. The composition of the Group was as follows:

Professor K.N. Raj, Fellow, Centre for Development Studies, Trivandrum	(Chairman)
Professor M. Mukherjee, Honorary Professor, Indian Statistical Institute, Calcutta	(Member)
Professor S. Chakravarty, Delhi School of Economics, Delhi	(Member)
Dr. I.Z. Bhatta, Director General, National Council of Applied Economic Research, New Delhi	(Member)
Dr. R.J. Chelliah, Director, National Institute of Public Finance and Policy, New Delhi	(Member)
Dr. A. Bagchi, R.B.I. Professor, National Institute of Public Finance and Policy, New Delhi	(Member)
Dr. A.K. Ghosh, Chairman, Bureau of Industrial Costs and Prices, New Delhi	(Member)
Dr. K.C. Seal, Director General, Central Statistical Organisation, New Delhi	(Member)
Dr. S.P. Gupta, Adviser, Planning Commission, New Delhi	(Member)
Sri D.R. Gupta, Adviser, Planning Commission, New Delhi	(Member)
Dr. Mahfooz Ahmed, Economic Adviser, Ministry of Finance, Government of India, New Delhi	(Member)
Dr. N.A. Mujumdar, Adviser, Economic Department, Reserve Bank of India, Bombay	(Member)
Smt. Uma Roy Choudhury, Additional Director, Central Statistical Organisation, New Delhi	(Convenor)

The Group was required to submit its report within six months of the date of its appointment; the period was later extended upto the end of February 1982.

At the first meeting of the Working Group held in June 1981 it was decided to form six Sub-Groups for examining in depth different issues related to the terms of reference (The composition of these Sub-Groups is given in Annexure). The reports of these Sub-Groups were considered at a meeting of the Working Group held towards the end of September 1981. Preliminary drafts of the report of the Working Group were then prepared and discussed in detail, first at a meeting held in New Delhi in the middle of November 1981 and then in Calcutta early in January 1982. The report was finalized in February 1982:

The Working Group received very valuable help from the Central Statistical Organisation at all stages in its work. Smt. Uma Roy Choudhury carried the responsibility of not only collecting and preparing the necessary material for the consideration of the Group but for coordinating the work of the Sub-Groups and getting ready the first drafts of the report (particularly for some of the appendices). Unfortunately, she had to leave on a foreign assignment towards the end of October, 1981 and the Working Group did not have the benefit of her advice and help in the subsequent stages. However the Group continued to receive very valuable assistance from other members of the CSO, particularly from Sri L.N. Rastogi, Sri S.V. Pimparkar, Sri D.N. Chaturvedi, Mrs. Grace Majumdar, Sri R.P. Katyal and Sri R.N. Khera.

The Reserve Bank of India was also generous enough to make available to the Working Group the services of Dr. S.L. Shetty of its Economic Department from the middle of the October 1981. He was of great help in the preparation of the final drafts of the report and in processing the statistical material for inclusion.

The main report of the Working Group is being presented in a form that is easily readable, since the issues involved should be of interest to many sections of the public. The more complex technical questions are discussed in the appendices. The Working Group has also taken the opportunity to present as far as possible estimates of saving and investment for the entire period from the early 1950's; the detailed data are presented in the Statistical Annexures. Statistical tables presented in the report, where the source is not specifically indicated, are based on data supplied by the CSO for the use of the Working Group. While the appendices form an essential part of the report and have the general concurrence of the Working Group, not all the details given therein nor all the views expressed there should be taken as carrying the approval of every member.

# CAPITAL FORMATION AND SAVING IN INDIA, 1950-51 TO 1979-80

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**Please note :**

1. The following symbols have been used in the tables and annexures :
  - . denotes non-applicability
  - .. denotes non-availability
  - denotes 'nil'
  - n. a. = not available
  - neg. = negligible
2. 1.0 crore = 10.0 million  
1.0 lakh = 0.1 million
3. 'Year' refers to the Indian fiscal year period (April — March) unless specified otherwise.