



Explanatory Memorandum
on the
Budget of the Governor-General in Council
for
1940-41.

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Budget 1940-41

Explanatory Memorandum

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INTRODUCTORY NOTES.

1. Unless otherwise stated, the amounts given in these statements are in lakhs of rupees, and the expressions "last year", "current year" and "next year" stand for the financial years 1938-39, 1939-40 and 1940-41, respectively

2. In the figures relating to previous years expenditure incurred in sterling has been converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London throughout the year in question. The current year's sterling expenditure has been converted at the rate of *1s. 515/16d.* on the basis of the actual rates during the first ten months of the year, but in accordance with the usual practice the budget estimates for 1940-41 are based on the standard rate of *1s. 6d.*

3. The statements of revenue and expenditure are based on net figures *i.e.*, the totals include only the net expenditure on the Defence Services, the net surplus or deficit of the Posts and Telegraphs Department, and the net contribution paid by the Railways to general revenues. Unless otherwise stated, however, the cost of collection is treated as expenditure and is not deducted from the figures given on the revenue side.

STATEMENT I.
Revenue Estimates.

	1938-39, Accounts.	1939-40, Budget.	1939-40, Revised.	1940-41, Budget.
Customs	40,51	40,65	43,94	37,86
Central Excise Duties	8,66	8,28	6,13	11,44
Corporation Tax	2,04	1,88	2,17	5,30
Taxes on Income other than Corporation Tax	15,24	14,68	15,92	17,20
Salt	8,12	8,35	9,00	8,20
Opium	51	49	49	47
Interest	74	63	73	61
Civil Administration	1,05	1,04	1,04	1,05
Currency and Mint	58	67	88	1,25
Civil Works	32	31	28	33
Receipts from Indian States	61	63	61	62
Other sources of revenue	2,02	1,79	1,93	1,80
Posts and Telegraphs:—				
Net contribution to general revenues	19	—1	86	37
- Railways:—				
Net contribution to general revenues	1,37	2,13	3,61	5,31
Deduct:—				
Share of income tax revenue payable to Provinces	—1,50	—1,78	—2,79	—3,00
Total	80,46	79,72	84,80	88,81
Add:—				
Payments by Burma	3,00	2,96	2,96	2,92
Transfers from Revenue Reserve Fund	1,06	..	..	91
GRAND TOTAL	84,52	82,68	87,76	92,64

Notes on the revenue estimates.

Customs and Central Excise Duties.—The distribution of these estimates is shown in Statements II and III.

Taxes on Income other than Corporation Tax.—The share of income-tax revenue payable to the Provinces is calculated as follows :—

	1939-40, Budget.	1939-40, Revised.	1940-41, Budget.
Total taxes on income other than corporation tax	14,66	15,92	17,20
<i>Deduct :—</i>			
Portion attributable to taxes on emoluments of officers serving under the Central Government and to centrally administered areas	1,36	1,53	1,55
Share of cost of collection	65	63	65
Balance	12,65	13,76	15,00
<i>Add :—</i>			
Estimated contribution from Railways	2,13	..	..
Total	14,78	13,76	15,00
<i>Deduct :—</i>			
Amount to be retained by the Central Government under the Niemeyer award	13,00	11,38	12,00
Amount payable to Provinces	1,78	2,38	3,00
<i>Add :—</i>			
Previous year's arrears . . . . .	..	41	..
Total	1,78	2,79	3,00

Salt and Opium.—The distribution of these estimates is given in Statements IV and V.

Interest.—The increase in the Revised is due to larger receipts from securities held in the Silver Redemption Reserve.

Currency and Mint.—The main items are shown in Statement VI.

Other Sources of Revenue.—The estimates include a credit of Rs. 7 lakhs in Revised and Rs. 20 lakhs in Budget on account of fees charged by the Department of Supply on purchases made by it for the British Government. The Revised includes special credits of Rs. 8.5 lakhs on account of recoveries of certain losses from the Posts and Telegraphs Department and Rs. 6 lakhs on account of the sale of certain old Currency Buildings in Bcm bay. The Budget provides Rs. 6 lakhs less on account of receipts of the Stationery Department due to a Provincial Government making its own arrangements for its stationery and Rs. 5 lakhs less on account of Postal Cash certificates lapsing to Revenue.

STATEMENT II.

Details of Customs Revenue.

	1938-39, Accounts.	1939-40, Budget.	1940-41, Revised.	1940-41, Budget.
SEA CUSTOMS—IMPORTS.				
<i>I.—Revenue duties.</i>				
Ale, beer, porter, cider and other fermented liquors	36.15	36.00	30.00	7.00
Spirits and liqueurs	1,48.89	1,50.00	1,40.00	1,25.00
Wines	10.13	11.00	8.00	3.00
Spices	19.02	20.00	30.00	21.00
Tea	8.19	8.00	4.00	4.00
Tobacco	1,53.90	1,45.00	1,50.00	1,32.00
Kerosene oil	3,55.65	3,53.00	3,95.00	3,70.00
Motor spirit	5,15.36	5,42.00	5,90.00	5,75.00
Oils, batching, fuel and lubricating	40.50	43.00	45.00	40.00
Cotton, raw	82.23	1,35.00	1,00.00	1,00.00
Boots and shoes	4.46	4.00	3.00	2.00
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	1,27.89	1,25.00	1,45.00	1,25.00
Electric lighting bulbs	12.95	14.00	13.00	13.00
Wireless reception instruments and apparatus	14.88	13.00	21.00	18.00
Dyes derived from coal-tar and coal-tar derivatives	29.50	25.00	24.00	22.00
Machinery	2,30.72	2,46.00	1,85.00	1,70.00
Iron and Steel	42.26	35.00	48.00	35.00
Silver bullion, coin, sheets, plates and other manufactures	29.57	33.00	1,55.00	35.00
Tin, block	7.10	8.00	12.00	8.00
Metals, other than iron and steel, silver and block tin	74.32	77.00	54.00	46.00
Railway plant and rolling stock	18.25	18.00	14.00	14.00
Artificial silk yarn and thread	41.28	39.00	60.00	40.00
Yarns and textile fabrics, others	91.52	90.00	66.00	60.00
Cinematograph films	13.10	14.00	14.00	14.00
Portland cement excluding white Portland cement	1.98	2.00	1.00	1.00
Pneumatic rubber tyres and tubes	24.93	25.00	30.00	25.00
Toys, games and sports goods	17.48	13.00	17.00	15.00
Betelnuts	77.07	71.00	67.00	70.00
All other articles	9,37.87	9,50.00	8,80.00	8,10.00

EXPLANATORY MEMORANDUM: GENERAL BUDGET.

1938-39, Accounts. 1939-40, Budget, Revised. 1940-41, Budget.

SEA CUSTOMS—IMPORTS—*contd.*

II.—*Protective duties.*

Wheat and wheat flour	12-52	...	11-00	
Broken rice	01	...	6-00	
Sugar	45-22	20-00	3,90-00	1,50-00
Heavy chemicals	15	20	15	15
Iron and steel	58-83	55-80	41-85	39-85
Silver wire, thread and other manufactures	3-26	3-00	1-00	1-00
Paper and stationery	21-22	21-00	15-00	15-00
Raw silk	29-38	28-00	28-00	28-00
Silk yarn and thread	17-00	13-00	9-00	8-00
Cotton yarn and thread	32-04	30-00	30-00	28-00
Cotton fabrics of British manufacture	94-96	1,00-00	62-00	55-00
Cotton fabrics not of British manufacture	2,64-98	2,55-00	2,80-00	2,65-00
Silk fabrics	55-23	58-00	28-00	30-00
Cotton hoslery	8-57	9-00	6-00	6-00
Artificial silk fabrics	94-78	95-00	95-00	95-00
Fabrics of artificial silk mixed with other materials	18-00	21-00	14-00	12-00
Other textile manufactures	34-71	30-00	30-00	28-00
Matches, match splints and veneers	16-46	18-00	16-00	16-00
Wood pulp	6-66	7-00	8-00	5-00
TOTAL IMPORTS	39,80-13	40,19-00	43,67-00	37,05-00

SEA CUSTOMS—EXPORTS.

Jute—

Raw	} 3,98-82	4,20-00	3,50-00	4,20-00
Manufactured				
Rice	11-24	11-00	12-00	10-00
TOTAL EXPORTS	4,10-06	4,31-00	3,62-00	4,30-00

Land Customs	48-60	45-00	60-00	50-00
Miscellaneous	12-69	12-00	14-00	12-00

TOTAL GROSS REVENUE	44,51-48	45,07-00	48,03-00	41,97-00
<i>Deduct—Refunds</i>	<i>1,49-95</i>	<i>1,31-00</i>	<i>1,90-00</i>	<i>1,50-00</i>
<i>Deduct—Share of Jute Export Duty assigned to Provinces</i>	<i>2,51-00</i>	<i>2,61-00</i>	<i>2,19-00</i>	<i>2,61-00</i>
NET REVENUE	40,50-53	40,65-00	43,94-00	37,86-00

EXPLANATORY MEMORANDUM: GENERAL BUDGET.

STATEMENT III.

Details of Revenue from Central Excise Duties.

	1938-39, Accounts.	1939-40, Budget.	1939-40, Revised.	1940-4 Budget
Motor spirit	1,24.70	1,15.00	1,05.00	2,65.00
Kerosene	67.85	66.00	50.00	60.00
Sugar	4,23.55	4,00.00	2,00.00	5,40.00
Matches	2,17.93	2,18.00	2,19.81	2,20.00
Steel ingots	38.15	38.00	40.00	45.00
Coal Cess . . . . .	..	..	8.08	24.00
Miscellaneous . . . . .	.13	..	.11	..
	<u>8,72.31</u>	<u>8,37.00</u>	<u>6,23.00</u>	<u>11,54.00</u>
<i>Deduct—</i>				
Refunds	6.58	9.00	10.00	10.00
	<u>8,65.73</u>	<u>8,28.00</u>	<u>6,13.00</u>	<u>11,44.00</u>

STATEMENT IV.

Details of Salt Revenue.

	1938-39,	1939-40,		1940-41,
	Accounts.	Budget.	Revised.	Budget.
REVENUE.				
Northern India	2,40·81	2,44·42	3,11·50	2,40·50
Madras	1,69·11	1,76·78	1,72·08	1,72·27
Bombay	1,73·76	1,84·19	1,94·59	1,86·28
Sind	11·21	6·92	18·16	6·89
Bengal	2,46·03	2,46·00	2,39·52	2,39·51
Orissa	·01	...	...	...
England	·02	...	...	...
TOTAL RECEIPTS	8,40·95	8,58·31	9,35·85	8,45·45
<i>Deduct—Refunds</i>	<i>23·70</i>	<i>23·31</i>	<i>35·85</i>	<i>25·45</i>
<i>Deduct—Provincial Share</i>	<i>·21</i>	<i>...</i>	<i>...</i>	<i>...</i>
NET REVENUE	8,12·04	8,35·00	9,00·00	8,20·00

The estimates are based on the following total consumption of duty-paid salt:—

	Maunds.
1938-39 (actuals)	5,10,55,000
1939-40 (budget)	5,27,09,000
1939-40 (revised)	5,40,00,000
1940-41 (budget)	5,20,00,000

STATEMENT V.

Details of Opium Revenue and Expenditure.

	1936-37.	1937-38.	1938-39.	1939-40, Budget.	1939-40, Revised.	1940-41, Budget.
Medical opium . . . . .	.11	.12	.11	.12	.15	.14
Excise opium and miscellaneous (less refunds)	47.55	50.63	50.78	49.03	48.67	47.23
Total revenue (re- ceipts less refunds)	47.66	50.75	50.89	49.15	48.82	47.37
Purchase of opium	23.15	17.61	19.39	17.60	17.52	17.10
Other charges	5.67	6.87	6.17	8.03	7.67	7.97
Total expenditure	28.82	24.48	25.56	25.63	25.19	25.07
Net revenue	18.84	26.27	25.33	23.52	23.63	22.30

NOTE.—Exports of provision opium to foreign countries ceased at the end of December 1935. Since then the revenue under this head has been derived solely from opium sold for consumption in India.

STATEMENT VI.

Details of Currency and Mint Receipts.

	1938-39, Actuals.	1939-40, Budget.	1939-40, Revised.	1940-41, Budget.
(1) Surplus profits of the Reserve Bank (a)	19.56	20.05	4.71	23.53
(2) Profits from circulation of bronze and nickel coin (b)	15.93	27.13	57.92	69.86
(3) Other items (c)	22.67	20.04	25.94	31.00
	58.16	67.22	88.57	1,24.39

(a) The estimates provide for the adjustment of Rs. .29 lakhs in the current year and Rs. 1.47 lakhs next year as Burma's share under the India and Burma (Burma Monetary Arrangements) Order.

(b) Since the outbreak of the War, there has been a large increase in the absorption of small coin which is expected to continue next year also. The estimates provide for the adjustment of Rs. 17.82 lakhs in the current and Rs. 18.98 lakhs next year as Burma's share of the net profit under the India and Burma (Burma Monetary Arrangements) Order.

(c) Owing to the increase in the note circulation due to the War larger supplies of note forms will be made by the Currency Note Press to the Reserve Bank and an increase in the receipts of the Press is anticipated on this account.

STATEMENT VII.

Expenditure Estimates. (a)

Demand or Appropriation.	Actuals, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
1. Customs	1,19.55	84.17	83.31	82.89
2. Central Excise Duties	45.77	44.17	41.73	55.80
3. Taxes on Income including Corpora- tion Tax	75.74	78.41	77.17	80.05
4. Salt	1,03.99	1,02.33	1,03.20	1,00.05
5. Opium	25.56	25.63	25.19	25.07
6. Provincial Excise	4.40	4.94	4.99	4.60
7. Stamps	16.60	17.67	20.38	24.57
8. Forest	8.46	8.69	8.45	9.48
9. Irrigation, Navigation, Embankment and Drainage Works (excluding Working Expenses)	10.04	9.70	9.59	10.74
10. Indian Posts and Telegraphs Depart- ment—				
Capital outlay charged to revenue	3.96	3.41	.74	— 34
11. Interest on Debt and other Obligations and Reduction or Avoidance of Debt.	14,12.29	12,65.66	12,26.34	12,11.13
12. Executive Council	6.06	6.18	6.32	6.13
13. Council of State	1.27	1.31	1.32	1.46
14. Legislative Assembly and Legislative Assembly Department	10.15	8.99	8.71	8.77
15. Home Department	28.31	27.67	27.62	28.25
16. Legislative Department	5.72	5.81	6.39	5.48
17. Department of Education, Health and Lands	8.73	8.72	8.48	8.02
18. Finance Department	15.98	16.93	16.93	18.86
19. Commerce Department	6.19	6.46	6.34	6.69
20. Department of Labour	5.37	6.85	6.89	5.98
21. Department of Communications	2.93	3.26	3.19	3.22
22. Central Board of Revenue	4.40	6.82	7.39	7.32
23. India Office and High Commissioner's establishment charges	40.32	39.27	42.75	41.72
Carried over	19,61.79	17,83.05	17,43.42	17,45.94

(a) This statement differs from the Demands for Grants in the following respects :—

- (1) Token demands and demands relating to capital expenditure not charged to revenue and the disbursement of loans and advances have been omitted.
- (2) The amounts shown under "Irrigation" exclude working expenses since they have been taken in deduction of revenue in Statement I.
- (3) Apart from capital outlay charged to revenue, the expenditure of the Posts and Telegraphs Department has been excluded since Statement I shows only the net contribution paid by the Department to general revenues.
- (4) Capital expenditure of the Posts and Telegraphs Department has been taken net.

EXPLANATORY MEMORANDUM : GENERAL BUDGET.

Demand or Appropriation.	Actuals, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
Brought forward	19,61.79	17,83.05	17,43.42	17,45.94
24. Payments to other Governments, De- partments, etc. on account of the administration of Agency Subjects and management of Treasuries	1.01	1.10	1.19	1.14
25. Audit	98.89	99.36	97.63	1,02.17
26. Administration of Justice	4.23	4.55	4.45	3.97
27. Police	1.78	1.79	4.45	6.09
28. Ports and Pilotage	27.40	22.58	22.96	23.82
29. Lighthouses and Lightships	9.19	9.23	8.19	8.39
30. Survey of India	23.85	22.93	21.38	25.92
31. Meteorology	20.01	20.78	20.39	21.66
32. Geological Survey	4.42	4.82	4.35	4.36
33. Botanical Survey . . . . .	.73	.79	.76	.71
34. Zoological Survey	1.75	2.12	1.94	1.74
35. Archæology	11.13	10.90	10.84	11.19
36. Mines	2.35	2.41	2.37	2.43
37. Other Scientific Departments	2.76	2.75	2.75	2.82
38. Education	6.73	6.59	6.55	6.39
39. Medical Services	9.31	10.73	9.38	10.82
40. Public Health	9.65	11.27	10.18	12.32
41. Agriculture	34.28	29.62	29.38	26.94
42. Imperial Council of Agricultural Re- search Department	9.05	8.77	8.67	8.50
43. Scheme for the improvement of Agricultural Marketing in India	4.82	4.49	4.34	5.21
44. Imperial Institute of Sugar Technology	2.52	..	..	..
45. Civil Veterinary Services	7.16	7.66	7.03	8.46
46. Industries	8.16	8.46	8.30	8.24
47. Aviation	29.84	39.54	34.10	59.08
48. Broadcasting	20.57	25.96	25.21	28.91
Carried over	23,13.38	21,42.25	20,90.21	21,37.22

EXPLANATORY MEMORANDUM : GENERAL BUDGET.

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Demand or Appropriation-	Actuals, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
Brought forward	23,13.38	21,42.25	20,90.21	21,37.22
50. Indian Stores Department	23.09	22.40	21.73	22.21
51. Commercial Intelligence and Statistics	7.25	8.40	7.89	8.20
52. Census . . . . .	.07	1.56	1.24	12.31
53. Emigration—Internal . . . . .	.10	.12	.10	.13
54. " External	3.16	3.31	3.32	3.41
55. Joint Stock Companies	1.44	1.58	1.58	1.60
56. Miscellaneous Departments	3.92	4.97	4.82	5.83
57. Currency	15.18	13.03	14.24	26.98
58. Mint	20.58	22.06	27.49	34.65
59. Civil Works	87.30	95.52	94.86	1,22.03
60. Central Road Fund	1,56.00	1,61.00	1,61.00	1,73.00
61. Superannuation Allowances and Pen- sions.	2,81.86	2,82.59	2,81.22	2,80.54
62. Stationery and Printing	53.31	48.36	54.23	37.99
63. Miscellaneous	17.07	14.17	20.01	24.34
64. Grants-in-aid to Provincial Govern- ments	3,04.72	3,04.16	3,04.16	3,03.61
65. Miscellaneous Adjustments between the Central and Provincial Governments.	1.61	1.62	1.61	1.62
66. Delhi	55.58	51.26	51.65	53.55
67. Ajmer-Merwara	18.14	19.30	32.24	36.85
68. Panth Piploda . . . . .	.12	.13	.12	.12
69. Andaman and Nicobar Islands	32.84	37.49	36.68	38.88
Expenditure on retrenched personnel charged to revenue . . . . .	.02	.05	..	..
Transfer to Revenue Reserve Fund . . . . .	..	..	91.30	..

Non-voted.

<i>Staff, Household and Allowances of the Governor General</i>	<i>20.50</i>	<i>16.17</i>	<i>18.15</i>	<i>17.17</i>
<i>Secretariat of the Governor-General</i>	<i>.73</i>	<i>3.15</i>	<i>3.94</i>	<i>5.33</i>
<i>Federal Public Service Commission</i>	<i>4.52</i>	<i>4.53</i>	<i>4.82</i>	<i>4.63</i>
<i>Defence Department</i>	<i>5.88</i>	<i>6.63</i>	<i>6.10</i>	<i>6.10</i>
<i>Ecclesiastical</i>	<i>30.24</i>	<i>31.28</i>	<i>30.56</i>	<i>31.17</i>
<i>Payments to Crown Representative Tribal Areas</i>	<i>1,26.04</i>	<i>1,32.67</i>	<i>1,43.00</i>	<i>1,39.14</i>
<i>External Affairs</i>	<i>1,99.20</i>	<i>1,87.44</i>	<i>1,93.83</i>	<i>2,01.80</i>
<i>Baluchistan</i>	<i>63.87</i>	<i>63.63</i>	<i>65.82</i>	<i>67.38</i>
<i>Defence Services (net)</i>	<i>49.35</i>	<i>64.14</i>	<i>62.96</i>	<i>72.27</i>
<i>Department of Supply</i>	<i>46,18.00</i>	<i>45,18.00</i>	<i>49,28.91</i>	<i>53,52.18</i>
<i>Miscellaneous expenditure connected with the War</i>	<i>..</i>	<i>..</i>	<i>7.27</i>	<i>22.77</i>
<i>Principal Supply Officers' Committee</i>	<i>..</i>	<i>..</i>	<i>8.76</i>	<i>14.24</i>
<i>Principal Supply Officers' Committee</i>	<i>.21</i>	<i>1.70</i>	<i>.82</i>	<i>..</i>
TOTAL	85,15.28	82,64.67	87,76.64	92,59.25

Notes on Expenditure Estimates.

Central Excise Duties.—The decrease in revised is due to less payments to Indian States from the match excise pool. The budget provides Rs. 8 lakhs for payment to the Coal Mines Stowing Board of the net proceeds of the excise duty on coal or coke realised this year.

Taxes on Income.—The increase in budget is mainly due to the provision for certain staff previously provided for under the Central Board of Revenue.

Salt.—The decrease in the budget is due to less expenditure on manufacture and maintenance.

Stamps.—Additional provision has been made for the purchase of stores to maintain an adequate reserve.

Interest.—See Statement VIII.

Finance Department.—The increase in budget is mainly due to the expansion of the Military Finance Branch as a result of the war.

India Office and High Commissioner's establishment charges.—The increase in the revised is due to unforeseen expenditure on Air Raid Precautions and the non-realisation of a lump cut of Rs. 2 lakhs made in the budget in expectation of savings from the re-organisation of the Stores Department of the High Commissioner's Office.

Audit.—Budget provides for resumption of local audit curtailed as a measure of economy.

Police.—Additional police have had to be employed in the situation created by the war.

Survey of India.—Provision has been made in the budget for the normal working of the department and for the purchase of certain essential additional stores.

Agriculture.—The decrease in the budget is on account of reduced provision for payment to the Sugar Excise Fund.

Aviation.—The provision of Rs. 6 lakhs for purchase of shares in Trans-continental Airways was not utilised in the current year. The budget provides Rs. 25 lakhs for transfer to the Fund for the development of Civil Aviation.

Broadcasting.—The activities of All-India Radio have expanded as a result of the war and the opening of the Dacca and Trichinopoly Stations.

Census.—Budget provides for the carrying out of the Census enumeration due to be held in 1941.

Currency.—Additional stores and paper have to be purchased next year to maintain an adequate reserve in war time and to meet the increased demand for note forms.

Mint.—The additional expenditure is due to the increased demand for small coin as a result of the war.

Civil Works.—The budget provides for maintenance on a normal scale and for increased expenditure on works in progress.

Central Road Fund.—The budget provides for the credit of Rs. 5.6 lakhs carried over from the current year in addition to the amount based on the estimated receipts from duties on motor spirit.

Stationery and Printing.—Additional paper has to be bought in the current year to maintain an adequate reserve in war time. The budget for next year provides for ordinary requirements.

Miscellaneous.—The revised estimate provides Rs. 3 lakhs for meeting loss by exchange and Rs. 4 lakhs for grants in connection with Air Raid Precautions. The budget includes a special grant of Rs. 5 lakhs for the development of Simla and Rs. 5 lakhs for grants in connection with Air Raid Precautions.

Grants-in-aid to Provincial Governments.—See Statement X.

Delhi.—Budget provides for a grant of Rs. 2·5 lakhs for the development of Delhi University.

Ajmer-Merwara.—The additional expenditure is mainly on famine relief.

Andaman and Nicobar Islands.—The increase in the budget is mainly due to additional expenditure on forests. An increase in the demand for timber etc. is anticipated as a result of the war.

Secretariat of the Governor-General.—The Defence Co-ordination Secretariat has been expanded as a result of the war.

Payment to Crown Representative.—The increase in the revised is mainly due to the creation of a Crown Police Force and to increased expenditure owing to the disturbances in the States in Eastern India. The increase in the budget as compared with the current budget is due to the maintenance of the new Police Force and to additional expenditure on pensions.

Tribal Areas.—The increase in expenditure is due to the disturbed conditions on the Frontier. The budget includes the usual contribution of Rs. 5 lakhs to the Fund for Frontier Development and an arrear contribution of Rs. 4 lakhs relating to the current year.

External Affairs.—The increased expenditure is due to the war.

Baluchistan.—Budget provides for increased expenditure on, Quetta reconstruction and ordinary Civil works.

Defence Services.—See Statement XVIII.

Department of Supply.—The Department has been created for co-ordinating the purchase of war supplies.

Miscellaneous expenditure connected with the war.—The appropriation covers expenditure on the various special organisations set up directly as a result of the war, the internment of enemy subjects, the repatriation of Indian seamen, payments to Provincial Governments for special expenditure incurred by them and other miscellaneous war expenditure.

Principal Supply Officers Committee.—This has been merged in the Department of Supply.

EXPLANATORY MEMORANDUM : GENERAL BUDGET.

STATEMENT VIII.

Interest Payments.

	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
GROSS PAYMENTS.				
A.—Interest on Ordinary Debt—				
(i) Rupee Debt—				
(a) Management of debt	8.75	8.85	8.75	8.85
(b) Discount on Treasury Bills	68.51	70.40	1,02.56	1,12.19
(c) Discount and premium written off to revenue	73.11	71.75	78.28	66.10
(d) Interest on temporary loans	2.71	2.00	1.50	2.00
(e) Interest on all other loans	17,39.76	16,99.46	16,67.97	16,29.36
(f) Other items	2.19	1.12	1.39	1.15
(ii) Sterling Debt—				
(a) Interest on loans contracted in England	13,00.97	12,99.95	12,99.11	12,82.26
(b) Interest on railway annuities	1,81.29	1,71.78	1,71.78	1,61.95
(c) Interest on outstanding liabilities of railway companies taken over on purchase	1,13.43	1,13.43	1,13.43	1,13.43
(d) Management of debt	11.79	11.80	11.80	11.78
(e) Other items	45.99	51.68	49.53	53.39
Exchange	8.96		5.73	
Total	35,57.46	35,01.22	35,11.83	34,41.46
B.—Interest on Unfunded Debt and other Obligations—				
Bonus on Post Office Cash Certificates	3,34.55	2,25.00	1,77.00	1,75.00
Post Office Savings Bank Deposits	1,41.55	1,27.00	1,18.32	1,17.09
State Provident Funds	2,71.35	2,80.71	2,82.13	2,92.64
Service Funds	42.72	22.21	22.21	20.78
Railway Depreciation Fund	1,03.13	1,25.31	1,24.70	1,47.24
Railway Reserve Fund				6.50
Posts and Telegraphs Renewals Reserve Fund	9.05	8.87	8.93	8.79
Other items	1,14.74	1,16.49	1,16.43	1,16.74
Total	10,17.09	9,05.59	8,49.72	8,84.78
Gross payments	45,74.55	44,06.81	43,61.55	43,26.24
C.—Transfers—				
Deduct—Amounts transferred to—				
Railways	28,14.80	27,98.47	27,94.45	27,84.53
Irrigation	7.38	7.43	7.22	7.13
Posts and Telegraphs	73.47	74.64	73.06	69.65
Commutation of Pensions	24.50	23.77	23.70	22.91
Other heads	6.64	6.62	6.63	6.68
Provincial Governments	5,35.47	5,30.22	5,30.25	5,24.21
Total deductions	34,62.26	34,41.15	34,35.21	34,15.11
Net interest payments	11,12.29	9,65.66	9,26.34	9,11.13

NOTE.—The rates assumed for the calculation of interest chargeable on the capital outlay of the commercial departments and for the payment of interest on depreciation and reserve fund balances are 4.54 per cent. for 1939-40 and 4.45 per cent. for 1940-41.

STATEMENT IX.

Post Office Cash Certificates.

Year.	Total amount outstanding at close of year.	Total payments on account of bonus.	Amount provided from current revenues.	Amount transferred to (+) or from (-) Cash Certificates Bonus Fund.
1927-28	30,70	23	23	..
1928-29	32,30	60	60	..
1929-30	35,00	73	73	..
1930-31	38,43	1,59	2,00	+41
1931-32	44,58	1,84	2,06	+22
1932-33	55,64	94	2,20	+1,26
1933-34	63,71	1,93	2,60	+67
1934-35	65,96	2,57	3,30	+73
1935-36	65,98	4,88	4,05	-83
1936-37	64,40	5,55	4,25	-1,30
1937-38	60,21	5,46	4,31	-1,15
1938-39	59,57	3,35	3,35	..
1939-40 (budget)	59,09	2,25	2,25	..
1939-40 (revised)	56,94	1,78	1,77	-1
1940-41 (budget)	55,44	1,75	1,75	..

NOTE.—From 1930-31 to 1936-37 the provision made in the budget was based not on the amount actually payable on account of bonus on maturing certificates but on the interest accruing during the year on all the certificates outstanding. Until 1934-35 the amount accruing was greater than the amount payable, and the difference was transferred to the Cash Certificates Bonus Fund. In the three following years, however, the position was reversed owing to heavy maturities of certificates issued at high rates of interest.

STATEMENT X.

Grants-in-aid to Provincial Governments.

	1938-39, Actuals.	1939-40, Budget.	1939-40, Revised.	1940-41, Budget.
United Provinces	25-00	25-00	25-00	25-00
Assam	30-00	30-00	30-00	30-00
North-West Frontier Province	1,00-00	1,00-00	1,00-00	1,00-00
Orissa	43-00	43-00	43-00	43-00
Sind	1,05-00	1,05-00	1,05-00	1,05-00
Coorg	1-72	1-16	1-16	-61
	<hr/>	<hr/>	<hr/>	<hr/>
	3,04-72	3,04-16	3,04-16	3,03-61
	<hr/>	<hr/>	<hr/>	<hr/>

EXPLANATORY MEMORANDUM : GENERAL BUDGET

STATEMENT XI.

Distribution of Expenditure between Voted and Non-voted.

	Budget, 1939-40.			Per- cent- age of voted to total.	Budget, 1940-41.			Per- cent- age of voted to total.
	Voted.	Non- voted.	Total.		Voted.	Non- voted.	Total.	
Expenditure charged to revenue	93,30	1,09,16	2,02,46	46.1	1,00,80	1,14,56	2,15,36	46.8
Expenditure not charged to revenue	4,92	9	5,01	98.2	4,53	8	4,61	98.3
Total	98,22	1,09,25	2,07,47	47.3	1,05,33	1,14,64	2,19,97	47.9

NOTE.—The figures given in this statement include the working expenses of the Railways, Posts and Telegraphs and Irrigation Departments.

STATEMENT XII.

Ways and Means Estimates.

	Budget, 1939-40,			Revised, 1939-40.			Budget, 1940-41.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Excess of Revenue over Expenditure	28,82	-28,79	3	28,26	-28,26	...	30,04	-29,99	5
New Loan . . . . .	...	...	...	15,72	...	15,72	...	...	...
Treasury Bills Issued (net)	-6,00	...	-6,00	1,00	...	1,00	-8,00	...	-8,00
Post Office Cash Certificates (net)	-50	...	-50	-2,63	...	-2,63	-1,50	...	-1,50
Post Office Savings Bank Deposits (net)	5,02	...	5,02	-4,32	...	-4,32	3,17	...	3,17
Other Unfunded Debt (net)	3,73	-7	3,66	2,96	-7	2,89	3,51	-9	3,42
Discount Sinking Fund	72	46	1,18	21	46	67	66	49	1,15
Reduction or Avoidance of Debt	3,00	...	3,00	3,00	...	3,00	3,00	...	3,00
Railway Depreciation Fund	6,33	...	6,33	5,59	...	5,59	5,66	...	5,66
Railway Reserve Fund . . . . .	...	...	...	...	...	...	2,99	...	2,99
Posts and Telegraphs Renewals Reserve Fund	1	...	1	2	...	2	...	...	...
Telephone Development Fund	-35	...	-35	-23	...	-23	-14	...	-14
Defence Reserve and Equalisation Funds	-1,05	...	-1,05	...	...	...	...	...	...
Defence Modernisation Fund . . . . .	...	...	...	-4,58	4,58	...	-5,40	5,40	...
Revenue Reserve Fund . . . . .	...	...	...	91	...	91	-91	...	-91
Other Deposits and Advances (net)	2,24	-2,38	-14	-8,28	18,11	9,83	-15,06	17,57	2,51
TOTAL	41,97	-30,78	11,19	37,63	-5,18	32,45	18,02	-6,62	11,40
Opening Balance	8,63	84	9,47	12,37	76	13,13	7,84	75	8,59
GRAND TOTAL	50,60	-29,94	20,66	50,00	-4,42	45,58	25,86	-5,87	19,99
Capital Outlay—									
Railways	2,06	2,69	4,75	4,68	2,56	4,24	2,65	1,60	4,25
Posts and Telegraphs	18	...	18	8	...	8	8	1	9
Civil . . . . .	...	...	...	19	...	19	16	...	16
Commutation of Pensions	-23	13	-10	-22	13	-9	-26	13	-13
Discharge of Permanent Debt	13	3,04	3,17	22,76	6,26	29,02	-3,41	6,74	3,33
Civil Aviation	17	...	17	14	...	14	-2	...	-2
Economic development and improvement of rural areas	36	...	36	26	...	26	31	...	31
Broadcasting	7	...	7	7	...	7	5	...	5
Development in tribal areas in the N. W. F. P. . . . .	...	...	...	2	...	2	-12	...	-12
Loans to public (net)	-49	...	-49	-59	...	-59	-13	...	-13
Payments to Reserve Bank for Surplus Silver	5,00	...	5,00	5,00	...	5,00	5,00	...	5,00
Transfers through Reserve Bank (net)	36,64	-36,64	...	14,12	-14,12	...	15,10	-15,10	...
Provincial requirements (net)	-1,18	...	-1,18	-1,35	...	-1,35	-1,27	...	-1,27
TOTAL	42,71	-30,78	11,93	42,16	-5,17	36,99	18,14	-6,62	11,52
Closing Balance	7,89	84	8,73	7,84	75	8,59	7,72	75	8,47
GRAND TOTAL	50,60	-29,94	20,66	50,00	-4,42	45,58	25,86	-5,87	19,99

STATEMENT XIII.
Distribution of Revenue and Expenditure.

Year.	Tax Revenue. (c)	Cost of Collection.	Net Tax Revenue.	Net Revenue from Commercial Departments.	Opium (receipts less expenditure).	Currency and Mint (receipts less expenditure).	Interest Receipts.	Extraordinary Receipts.	Other Revenue.	Total Net Revenue.	Interest on Debt.	Reduction or Avoidance of Debt.	Extraordinary Payments.	Defence Expenditure (net).	Other Expenditure.	Net Capital Outlay of Commercial Departments (posts and telegraphs and irrigation) charged to Revenue.	Total Net Expenditure.	Surplus +, Deficit —.
1927-28	71,13	3,01	68,12	5,92	3,07	1,90	3,62	14	2,78	85,55	10,57	5,04	—2,04	54,79	16,99	20	85,55	...
1928-29	74,77	3,14	71,63	4,52	2,72	2,17	2,80	30	3,11	87,25	10,20	5,42	—73	55,10	17,42	16	87,57	—32
1929-30	74,99	3,25	71,74	5,24	2,55	2,00	4,40	1,89	3,38	91,20	10,85	5,74	...	55,10	19,11	13	90,93	+37
1930-31	89,76	3,22	86,54	4,03	1,79	27	3,39	99	3,13	80,14	11,28	6,14	16	54,30	19,89	15	91,72	—11,58
1931-32	72,58	3,06	69,52	—1,00	1,28	1,02	2,41	21	3,85	77,29	12,33	6,89	3	51,79	18,03	—50	89,04	—11,75
1932-33	79,91	3,17	76,74	—45	6	1,65	1,88	2	2,94	82,84	11,61	6,84	16	46,74	15,89	5	81,29	+1,55
1933-34	72,97	3,31	69,66	—56	88	74	1,63	33	2,72	75,43	9,29	3,00	(b)2,19	44,42	15,85	5	74,80	+63
1934-35	78,08	3,61	74,47	33	37	75	2,01	...	2,72	80,75	10,25	3,00	(c)2,85	44,34	19,93	3	80,39	+36
1935-36	77,35	3,64	73,71	—4	27	75	87	...	2,73	78,29	10,50	3,00	(d)2,72	44,98	17,03	1	78,39	...
1936-37	74,98	3,77	71,21	—1	19	81	40	1	3,12	75,71	9,56	3,00	19	45,45	19,36	4	77,50	—1,79
1937-38	73,14	3,29	69,85	3,25	26	38	59	3,93	2,93	81,19	12,48	2,52	3	47,35	18,77	4	81,19	...
1938-39	72,34	3,75	68,59	1,47	25	22	74	4,06	3,16	78,49	11,12	3,00	1	46,18	18,78	4	79,13	—64
1939-40 (budget)	71,26	3,42	67,84	2,03	24	32	63	2,96	2,93	76,95	9,66	3,00	2	45,18	19,03	3	76,92	+3
1939-40 (revised)	73,57	3,40	70,17	4,33	23	47	73	3,10	2,92	82,00	9,26	3,00	(e)1,11	49,29	19,33	1	82,00	...
1940-41 (budget)	76,11	3,58	72,53	5,53	22	63	61	4,03	2,76	86,36	9,11	3,00	41	53,52	20,27	...	86,31	+5

(a) Excludes share of additional revenue from import and excise duties on motor spirit payable to Road Development Fund from 1928-29.

(b) Includes 2,09 transferred to the Bihar Earthquake Fund.

(c) Includes 2,82 transferred to the Rural Development Fund.

(d) Includes 1,84 transferred to the Revenue Reserve Fund, 45 for buildings in Orissa and Sind, and 43 for expenditure in connection with the Quetta earthquake.

(e) Includes 91 transferred to Revenue Reserve Fund.

STATEMENT XIV.

Analysis of Tax Revenue, included in Statement XIII.

Year.	Revenue from Customs.	Revenue from Central Excise Duties.	Cost of Collection (a).	Revenue from Taxes on Income including Corporation Tax.	Cost of Collection.	Revenue from Salt.	Cost of Collection.	Other Tax Revenue.	Cost of Collection.	Total gross Tax Revenue.	Transfers to Central Road Fund.	Tax revenue retained by Central Government.	Total Cost of Collection.	Total net Tax Revenue.
1927-28	48,22		85	15,06	66	6,63	1,27	1,22	23	71,13	..	71,13	3,01	68,12
1928-29	49,28		94	16,70	69	7,60	1,23	1,24	28	74,82	5	74,77	3,14	71,63
1929-30	51,28		97	16,71	72	6,76	1,27	1,22	29	75,97	98	74,99	3,25	71,74
1930-31	46,81		93	16,00	75	6,83	1,26	1,10	28	70,74	98	69,76	3,22	66,54
1931-32	46,44		90	17,49	74	8,58	1,16	1,09	26	73,60	1,02	72,58	3,06	69,52
1932-33	51,95		93	17,97	78	10,07	1,12	94	34	80,93	1,02	79,91	3,17	76,74
1933-34	47,16		99	17,13	82	8,86	1,15	90	35	74,05	1,08	72,97	3,31	69,66
1934-35	52,07		1,11	17,55	85	8,00	1,15	1,05	40	79,27	1,19	78,08	3,51	74,57
1935-36	52,25		1,17	17,07	91	8,43	1,19	89	37	78,64	1,29	77,35	3,64	73,71
1936-37	51,45		1,42	15,34	89	8,81	1,08	82	38	76,42	1,46	74,96	3,77	71,19
1937-38	43,11	7,66	1,18	4,58	75	8,39	1,06	81	30	74,55	1,41	73,14	3,29	69,85
1938-39	40,51	8,66	1,65	15,78	76	8,12	1,04	83	30	73,90	1,56	72,34	3,75	68,59
1939-40 (budget)	40,65	8,23	1,28	14,76	79	8,35	1,02	83	33	72,87	1,61	71,26	3,42	67,84
1939-40 (revised)	43,94	6,13	1,25	15,30	77	9,00	1,03	81	35	75,18	1,61	73,57	3,40	70,17
1940-41 (budget)	37,86	11,44	1,39	19,50	80	8,20	99	84	40	77,84	1,73	76,11	3,58	72,53

(a) Figures from 1938-39 include the amount payable to the Indian States in respect of match excise revenue.

STATEMENT XV.

Analysis of Interest Payments, included in Statement XIII.

Year.	Interest on unfunded debt and other obligations.										Amounts transferred to					Total interest payments (net).	
	Interest on Ordinary Debt.	Bonus on Cash Certificates.	Post Office Savings Bank.	State Provident Funds.	Service Funds.	Railway Reserve Fund.	Railway Depreciation Fund.	P. & T. Renewals Reserve Fund.	Other items.	Total interest on unfunded debt and other obligations.	Railways.	Irrigation.	Posts and Telegraphs.	Provinces.	Other heads.		Total transfers.
1927-28	37,46	23	87	2,21	10	43	33	3	95	5,20	25,75	12	62	5,46	14	32,09	10,57
1928-29	38,70	60	98	2,38	10	65	41	5	1,00	6,17	27,82	12	70	5,88	15	34,67	10,20
1929-30	40,34	73	1,03	2,54	12	74	53	7	1,07	6,83	29,09	12	73	6,20	18	36,32	10,85
1930-31	41,67	2,00	1,05	2,93	13	58	74	11	1,14	8,68	31,34	13	84	6,55	21	39,07	11,28
1931-32	44,57	2,06	1,08	3,10	12	14	79	13	1,01	8,43	31,76	13	79	7,25	24	40,17	12,83
1932-33	43,56	2,20	1,15	3,38	13	..	73	14	1,00	8,73	31,57	2	83	8,01	25	40,68	11,61
1933-34	40,17	2,60	1,29	3,77	13	..	57	15	1,12	9,63	31,29	3	86	8,07	26	40,51	9,29
1934-35	39,25	3,30	1,35	3,90	13	..	48	16	1,12	10,44	30,57	3	85	7,91	8	39,44	10,25
1935-36	38,27	4,05	1,51	3,99	13	..	48	15	1,15	11,46	30,18	3	81	7,92	29	39,23	10,50
1936-37	35,90	4,25	1,46	4,04	72	..	62	15	1,19	12,43	29,62	8	79	7,97	31	38,77	9,56
1937-38	35,46	4,31	1,46	2,62	68	..	81	14	1,12	11,14	28,08	8	72	4,93	31	34,12	12,48
1938-39	35,57	3,35	1,42	2,71	43	..	1,03	9	1,14	10,17	28,15	7	74	5,35	31	34,62	11,12
1939-40 (budget)	35,01	2,25	1,27	2,81	22	..	1,25	9	1,17	9,06	27,98	8	75	5,30	30	34,41	9,66
1939-40 (revised)	35,12	1,77	1,18	2,82	22	..	1,25	9	1,16	8,49	27,94	7	73	5,30	31	34,35	9,26
1940-41 (budget)	34,41	1,75	1,17	2,93	21	6	1,47	9	1,17	8,85	27,85	7	70	5,24	29	34,15	9,11

STATEMENT XVI.

Analysis of 'Other expenditure' included in Statement XIII.

Year.	Forest Expenditure.	Civil Administration.	Famine.	Pensions, Superannuation Allowances, etc.	Stationery and Printing.	Miscellaneous.	Total.	Commutation of Pensions.	Civil Works.	Salt and other capital outlay charged to revenue.	Grants-in-aid, Subventions to Provinces, etc.	Total.
1927-28	31	11,21	..	2,80	26	65	3,71	5	1,58	13	..	16,99
1928-29	33	11,44	..	2,73	56	73	4,02	4	1,55	4	..	17,42
1929-30	35	12,66	..	2,98	55	88	4,41	4	1,60	5	..	19,11
1930-31	36	13,34	..	2,88	55	81	4,24	6	1,65	4	..	19,69
1931-32	32	12,17	..	2,99	58	74	4,31	3	1,19	1	..	18,03
1932-33	23	9,69	..	3,05	35	72	4,12	11	75	3	96	15,89
1933-34	19	9,54	..	3,24	35	64	4,23	-2	90	1	1,00	15,85
1934-35	19	11,10	..	3,41	36	60	4,37	3	(a)1,23	2	2,98	19,92
1935-36	20	10,59	..	3,07	35	79	4,21	-2	90	1	1,19	17,03
1936-37	19	11,27	..	2,89	40	61	3,90	5	1,06	1	2,78	19,26
1937-38	20	10,44	..	2,83	43	58	3,84	7	1,09	-3	3,16	18,77
1938-39	23	10,90	..	2,82	53	27	3,62	1	96	..	3,06	18,78
1939-40 (budget)	23	11,04	..	2,81	48	21	3,50	2	1,17	1	3,06	19,03
1939-40 (revised)	22	11,13	16	2,81	54	26	3,77	..	1,15	..	3,06	19,33
1940-41 (budget)	24	11,81	16	2,80	38	32	3,66	..	1,50	1	3,05	20,27

(a) Includes a special grant of 40 for road development.

STATEMENT XVII.

Analysis of Expenditure on 'Civil Administration' included in Statement XVI.

Year.	General Administration.	Audit.	Administration of Justice.	Jails and Convict Settlements.	Police.	Ports and Pilotage.	Lighthouses and Lightships.	Ecclesiastical.	Political.	Payments to Crown Representative.	Tribal Areas.	External Affairs.	Scientific Departments.	Education.	Medical.	Public Health.	Agriculture.	Veterinary.	Co-operation.	Industries.	Broadcasting.	Aviation.	Indian Stores Department.	Miscellaneous Departments.	Total.
1927-28	1,72	89	14	35	69	33	..	32	1,58	..	2,50	..	91	48	30	17	29	..	..	15	..	10	17	12	11,21
1928-29	1,88	97	15	35	74	29	..	32	1,58	..	2,54	..	93	45	31	19	30	..	..	7	..	5	19	13	11,44
1929-30	2,25	1,02	15	42	76	25	14	32	1,62	..	2,69	..	94	52	32	21	46	..	..	3	..	20	21	15	12,66
1930-31	2,13	1,03	15	48	93	26	12	32	1,96	..	2,78	..	93	62	32	19	48	..	..	3	..	23	9	29	13,34
1931-32	1,98	1,01	16	39	88	26	11	30	1,64	..	2,39	..	86	62	30	17	35	..	..	2	..	20	9	44	12,17
1932-33	1,53	94	9	25	55	22	10	29	1,45	..	2,18	..	67	35	22	13	30	..	..	2	..	10	10	20	9,69
1933-34	1,54	98	8	24	54	23	10	29	1,36	..	2,16	..	66	30	23	13	29	..	..	2	..	13	9	17	9,54
1934-35	1,61	1,01	7	22	52	23	10	29	1,65(a)	..	2,11	..	70	29	24	16	33	..	..	4	..	1,07(b)	8	(c)38	11,10
1935-36	1,70	1,08	6	23	36	24	10	29	..	1,08	2,47	63	69	24	20	16	36	7	1	7	5	17	21	12	10,59
1936-37	1,81	1,09	7	24	33	27	10	30	..	1,17	2,66	62	74	24	22	20	38	7	1	8	9	22	22	14	11,27
1937-38	1,67	99	8	24	31	26	9	27	..	1,05	2,15	57	68	24	24	21	47	9	1	8	14	22	23	15	10,44
1938-39	1,87	99	10	24	29	27	9	30	..	1,26	1,99	64	67	24	22	14	52	8	1	8	21	30	23	16	10,90
1939-40 (budget)	1,90	99	10	28	29	23	9	31	..	1,33	1,87	64	68	24	23	15	44	9	1	9	26	40	22	20	11,04
1939-40 (revised)	1,95	98	10	28	32	23	8	30	..	1,43	1,94	66	65	24	22	13	44	8	1	9	25	34	22	19	11,13
1940-41 (budget)	1,94	1,02	10	29	35	24	8	31	..	1,39	2,02	67	71	27	23	16	42	10	1	8	29	59	22	32	11,81

(a) Includes 25 for development of tribal areas on the North-West Frontier.

(b) Includes 93 for development of Civil Aviation.

(c) Includes 20 for development of Broadcasting.

STATEMENT XVIII.

Analysis of Defence Service Receipts and Expenditure.

	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
	Rs.	Rs.	Rs.	Rs.
EXPENDITURE.				
58.—Defence Services—Effective.				
1. Normal cost of Defence Services—Effective	43,74,44,602	46,22,85,000	(a)36,76,63,000	(a)36,76,63,000
2. Lump provision for increase in prices . . . . .	..	..	(a)25,00,000	(a)2,00,00,000
3. War Emergency 1939 . . . . .	..	..	3,85,91,000	6,59,18,000
Total	43,74,44,602	46,22,85,000	40,87,54,000	45,35,81,000
59.—Defence Services—Non-Effective.				
1. Army	8,41,46,337	8,46,68,000	8,94,04,000	8,47,81,000
2. Air Forces	5,33,498	5,85,000	79,000	3,19,000
3. Royal Indian Navy	10,08,359	10,35,000	9,95,000	10,14,000
Total	8,56,88,194	8,62,88,000	9,04,78,000	8,61,14,000
50.—Transfers to or from Defence Reserve Fund	—24,42,641	—92,47,000	..	..
Total Expenditure	52,06,90,155	53,93,26,000	49,92,32,000	53,96,95,000
RECEIPTS.				
XLVII.—Defence Services—Effective	5,43,16,294	8,29,89,000	..	..
XLVIII.—Defence Services—Non-Effective	45,73,861	45,37,000	63,41,000	44,77,000
Total Receipts	5,88,90,155	8,75,26,000	63,41,000	44,77,000
Net Expenditure	46,18,00,000	45,18,00,000	49,28,91,000	53,52,18,000

(a) Net lump sum provision.

Note.—The details in this statement do not agree with those given in the Budget Statements, as the figures have been recast in a different form.

EXPLANATORY MEMORANDUM : GENERAL BUDGET.

STATEMENT

Posts and

	Post Office.				Telegraphs.			
	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
Gross Receipts—								
(i) Postage and Message Revenue	6,94,42	6,86,78	7,20,31	7,17,68	1,75,32	1,80,24	2,14,15	2,01,0
(ii) Miscellaneous Revenue	1,18,32	1,16,34	1,19,17	1,18,91	67,22	66,02	65,72	65
Total	8,12,74	8,03,12	8,39,48	8,36,59	2,43,04	2,46,26	2,79,87	2,66
Expenditure—								
Working Expenses (Abstracts J. K. L. & M.)—	7,05,22	7,13,62	7,10,86	7,30,69	91,21	92,40	91,46	95
C. General Administration	6,18	6,15	6,63	6,42	10,13	10,57	8,99	10
D. Account and Audit	17,13	15,87	17,04	17,06	6,55	6,52	6,60	6
E. Control-Circle offices	25,15	25,50	24,47	25,72	6,73	6,62	6,73	7
F. Engineering Expenses					34,91	36,38	34,75	37
G. Pensionary charges	83,56	87,04	87,58	87,48	23,48	24,02	25,42	25
H. Stamps, Postcards, Printing and Stationery	27,23	28,36	27,27	30,21	3,66	3,06	3,54	3
I. Maintenance of Assets, including Petty Works	4,57	6,12	5,64	8,36	10,69	13,46	13,09	16
N. Contribution to Renewals Reserve Fund	2,45	2,40	2,31	2,31	16,18	15,88	13,83	13
S. Repayment of losses Interbranch Adjustments	-37,93	-33,33	-43,00	-42,86	+28,96	+24,35	+32,23	+32
O. Deduct credits to working expenses	67,15	65,77	65,75	64,18	7,43	13,04	8,74	6
Net Working Expenses	7,66,41	7,85,96	7,78,06	8,01,21	2,33,52	2,28,72	2,36,40	2,41
Net Receipts	46,33	17,16	66,43	85,38	9,52	17,54	43,47	25
Expenditure charged to Revenue—								
Interest	11,05	10,56	10,85	8,49	47,29	49,07	46,78	46
Net Profit (+) or loss (-)	+35,28	+6,60	+55,68	+26,89	-37,77	-31,53	(-) 3,31	(-) 21
Capital outlay charged to Revenue								
—Postal	4,15	3,41	2,57	53	..	..	..	..
Capital outlay not charged to Revenue	..	..	..	..	18,70	28,41	(a) 17,33	(b) 10,59

(a) Includes 6,35 for outlay on trunk lines

(b) Includes 2,24 for outlay on trunk lines

(c) Includes 16,43 for Telephone projects

(d) Includes 11,55 for Telephone projects

(e) Includes —01 on account of difference between opening and closing balances under 'Stores and met from Telephone

(f) Figures are net, i.e., excluding

XIX.

Telegraphs.

Telephones.				Radios.				Total.			
Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.	Accounts, 1938-39.	Budget, 1939-40.	Revised, 1939-40.	Budget, 1940-41.
1,007.73	1,019.95	1,169.94	1,194.49	1.89 9.20	1.76 8.92	1.81 10.22	1.66 10.98	8,72.13 2,96.47	8,68.78 2,93.23	9,36.27 3,12.05	9,20.38 3,15.13
<u>1,007.73</u>	<u>1,019.95</u>	<u>1,169.94</u>	<u>1,194.49</u>	<u>11.09</u>	<u>10.68</u>	<u>12.03</u>	<u>12.64</u>	<u>11,67.60</u>	<u>11,62.01</u>	<u>12,48.32</u>	<u>12,35.51</u>
23.03	24.36	23.93	25.29	6.68	6.94	6.44	6.38	8,26.14	8,37.32	8,32.69	8,57.94
9.35	7.02	7.76	7.84	1.55	1.58	1.59	1.59	27.21	25.32	24.97	26.35
1.13	1.23	1.16	1.20	35	37	35	36	25.16	23.99	25.15	25.42
1.16	1.21	1.21	1.27	27	27	28	28	33.31	33.60	32.67	34.34
7.91	8.02	8.41	9.31	64	76	1.15	1.64	43.46	45.16	44.31	48.04
4.70	4.92	5.13	5.24	1.12	1.17	1.19	1.19	1,12.86	1,17.15	1,19.32	1,19.18
72	58	67	72	20	19	19	20	81.81	82.19	81.67	35.00
8.69	8.23	8.49	10.00	1.04	1.00	1.08	1.55	24.99	23.81	23.30	36.11
4.04	4.24	5.76	5.76	46	53	1.15	1.15	23.13	23.05	23.05	23.05
+11.68	+11.67	+13.39	+13.40	-2.71	-2.69	-2.62	-2.61	8.50	8.50	8.50	...
6.36	6.66	6.35	4.29	41	95	86	1.88	81.40	86.42	81.70	76.64
66.05	64.82	69.56	75.74	9.19	9.17	9.92	10.35	10,75.17	10,88.67	10,88.93	11,28.79
34.63	37.13	47.38	43.75	1.90	1.51	2.11	2.29	92.43	73.34	1,59.39	1,06.72
13.63	13.23	13.83	12.68	1.43	1.75	1.58	1.63	73.45	74.61	73.04	69.63
+21.05	+23.90	+33.55	+31.07	+42	-24	+53	+61	+18.98	-1.27	+86.35	+37.09
...	...	...	...	...	...	...	...	4.15	3.41	(<i>f</i>) 74	(<i>f</i>) -34
<u>16.69</u>	<u>10.35</u>	<u>(<i>c</i>) 16.54</u>	<u>(<i>d</i>) 11.60</u>	<u>3.92</u>	<u>3.64</u>	<u>2.92</u>	<u>4.01</u>	<u>39.31</u>	<u>52.40</u>	<u>36.79</u>	<u>(<i>e</i>) 26.07</u>

to be met from Telephone Development Fund.

to be met from Telephone Development Fund.

to be met from Telephone Development Fund.

to be met from Telephone Development Fund.

Manufacture Suspense Accounts', —13 on account of Extraordinary Receipts on Capital Account and 13.79 Development Fund.

receipts on Capital account.

STATEMENT XX.

Interest-bearing obligations of the Government of India.

	(In crores of rupees.)					
	1935-36.	1936-37.	1937-38.	1938-39.	1939-40. Revised Estimate.	1940-41. Budget Estimate.
<i>In India—</i>						
PUBLIC DEBT.						
Loans	425.32	437.33	438.40	437.87	431.05	434.65
Treasury Bills	32.13	28.54	38.01	46.30	47.30	39.30
Total—Public Debt.	457.45	465.87	476.41	484.17	478.35	473.95
UNFUNDED DEBT.						
Service Funds	1.15	1.11	1.07	1.03	.97	.93
Post Office Savings Bank	67.25	74.68	77.55	81.88	77.56	80.73
Post Office Cash Certificates	65.98	64.40	60.21	59.57	56.94	55.44
State Provident Funds	86.20	70.62	69.68	72.46	75.01	77.98
Other items	8.78	9.12	9.65	10.19	10.66	11.24
Total—Unfunded Debt	229.36	219.93	218.16	225.13	221.14	226.32
DEPOSITS.						
Depreciation Reserve Funds	13.24	19.82	22.78	27.34	32.97	41.65
Provincial Balance	4.93	1.00	..	..	..	..
Total—Deposits	18.17	20.82	22.78	27.34	32.97	41.65
Total—Obligations in India	704.98	706.62	717.35	736.64	732.46	741.92
<i>In England—</i>						
PUBLIC DEBT.						
Loans	423.68	400.96	396.75	396.51	393.05	389.21
War Contribution	22.29	22.29	20.62	20.62	20.62	20.62
Capital portion of Annuities created in purchase of Railways	55.67	53.15	50.52	47.82	45.02	42.12
Total—Public Debt	501.64	476.40	467.89	464.95	458.69	451.95
UNFUNDED DEBT.						
Service Funds	1.70	16.67	11.92	4.18	4.11	4.03
Total—Obligations in Eng- land	503.34	493.07	479.81	469.13	462.80	455.98
Grand Total	1,208.32	1,199.69	1,197.16	1,205.77	1,195.26	1,197.90

NOTES.

- (a) The outstandings at the end of each year are shown in the statement.
 (b) Sterling obligations have been converted into Rupees at 1s. 6d. the rupee.