TEXTILE INDUSTRY in SOUTH INDIA

Eighth Year of Issue

1957

TEXTILE INDUSTRY IN SOUTH INDIA

EIGHTH YEAR OF ISSUE

25th December 1957

Compiled by

DALAL & CO.

STOCK, SHARE & YARN BROKERS
POST BOX NO. 149 - ESPLANADE
MADRAS-1

74

TELE { GRAMS : DALAL
PHONE : OFFICE : 2755, 2752, 2719
RESIDENCE : 88731, 84855 }

Price Rs. 5

PREFACE

We have pleasure in placing before the public the eighth edition of our publication on the "TEXTILE INDUSTRY IN SOUTH INDIA". Starting on a modest size of 46 pages, the scope and size of the book has been gradually enlarged to the present one by the addition of material information that may prove useful to one and all.

In the limited space available, we have, as usual, endeavoured our best to give all the information in our possession. We take this opportunity of thanking, (i) the Millowners' Association of Bombay, (ii) the Southern India Millowners' Association of Coimbatore, (iii) the International Federation of Cotton and Allied Industries, Manchester (iv) the International Cotton Advisory Committee, Washington, (v) the Textile Organon, New York, (vi) the Federation of Indian Chambers of Commerce and Industry, New Delhi, (vii) the Cotton Export Promotion Council, Bombay, and (viii) the "Commerce" for the valuable assistance rendered by sparing us their bulletins, booklets and also giving us the details required for compilation of this publication. But for the co-operation extended by the various mills by giving particulars called for and also sending us the latest balance sheet, it would not have been possible for us to prepare, what we feel, reasonably accurate particulars of each mill. We have also to mention here with regret that still some of the mills, particulars of which also have been given in this Booklet with the information gathered by us from other sources, refrain from furnishing the details called for and sending the balance sheets, despite repeated requests and reminders.

We are fully conscious of the fact that in spite of the utmost care and attention taken by us, there may be errors and omissions. It is our earnest request that our attention should be drawn to any inaccuracies or mistakes to enable us to correct them in the future publications.

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Madras-1.

INTRODUCTION

Brief particulars about each of the Mills, in the same way as was done on the last seven occasions, have been given with their Capital Structure, Reserve Funds, Capital Bonus Issues, if any, Present Equipment, Products Manufactured, Additions and Proposed Expansions to Plant and Machinery, Capitalisation per Spindle and or Loom, based on the Nett Block Account as per the last available Balance Sheet, Earning Capacity per Spindle and or Loom, as also a detailed Analysis of working. For arriving at the earning capacity of a Spindle and that of a Loom in a Composite Mill, we have taken the basis of 20 Spindles being equal to a Loom as was calculated in the earlier editions. This formula has been adopted, as Mills do not give in their Balance Sheets the profit of the Spinning and Weaving Sections separately.

Some Mills have Auxiliary Equipment and side lines, such as (*a*) Knitting Plant, (*b*) Special Looms like Tape Looms for the manufacture of cord yarn used in the manufacture of tyres, etc., (*c*) Bleaching, (*d*) Dyeing and (*e*) Finishing and Processing Plants. Mills having these additional facilities stand to earn a much higher margin of profit than those weaving mere grey cloth. We are not able to arrive at any accurate value of these auxiliary items, and hence no allowance has been made for the value of these in arriving at the Capitalisation per spindle and per Loom. We have, however specifically mentioned the existence of such additional plants, in the particulars of such Mills and in all these cases, if the value of these auxiliaries is deducted from the Block Account, then the capitalisation will be lower than that given in the particulars.

The liquid position of many of the well-managed Mills is sound, as could be seen from the fact that the "Surplus of Liquid Assets over Liabilities" in the break-up-value calculated from the last available Balance Sheet, is several times the figure based on the "Nett Block". The Nett Block, in such cases, has heen depreciated considerably and as the value of the machinery at to-day's prices of spindles and looms will be several times higher, there is a secret reserve, particularly as the plant and machinery of these Mills are kept in a sound condition. An additional feature in the case of some of the units is, that they have added extra spindles and looms and other equipment and have also a further expansion programme on hand. All such extensions have been mostly met and are proposed to be met out of the existing resources of the Companies.

During 1956, when cotton prices, supply of electric energy, wages and allowances to labour and other working conditions were all identical, it may be asked as to why there should have been disparity in earnings (per spindle and loom) even between the Mills in the same area. It is here that efficiency counts. Purchase of suitable types of cotton and proper mixing up and manufacturing the right counts of yarn, which get a higher margin of profit, accounted for the better results in the case of well-managed units. Secondly, composite units having auxiliary plants such as bleaching, dyeing, finishing and processing, etc., in addition to spinning and weaving, got a better margin than the ordinary units, producing mere grey cloth. Therefore, it is for the investors to judge the merits of each investment on the following considerations: (1) Capitalisation, (2) Profit per Spindle and Loom, (3) Break-up value, (4) Nett earnings on Ordinary Capital, (5) Financial position, (6) Payment of uniform dividends etc., (7) Efficiency in management, and (8) the prospects of increased earnings in the coming years on account of further extensions to Plant and Machinery.

As many mills spin staple fibre yarn and as the shares of the silk and rayon industries are listed under 'Textiles' on stock markets, we have also given in this book brief comments about staple fibre spinning and silk and rayon industries.

21st December, 1957.

DALAL & CO.,

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SUMMARY

TEXTILE INDUSTRY IN SOUTH INDIA

Eighth year of Issue

HISTORY

The Cotton Textile Industry in India is of very ancient origin dating back to the pre-christian era, mainly confined to the rural areas. Besides catering to the needs of this country, Indian handloom cloth was also exported to the Middle-East Countries. The advent of the British rule in India and the monopoly of Lancashire in the textile trade dealt a great blow to the Indian Textile Industry. The period of struggle for political freedom from foreign domination practically synchronised with the growth of the Cotton Textile Industry in this country. The centenary of the struggle for political independence was celebrated in August this year, while the centenary of the Textile Mill Industry was celebrated three years ago in 1954. Although the hundred and odd years have been a period of growth and expansion, it was only in the Second World War period that the Industry was firmly established. To-day India is not only not dependent on imports to clothe her millions, but is also a major exporter of cotton textiles. Considerable progress has been made in quality, designs and varieties in that the Indian products compare very favourably with those manufactured in most of the advanced countries.

It was in the year 1818 that the first power-driven Mill was established in Calcutta by British interests, but the first Indian enterprise was started in Bombay only in 1854. Since then, the Industry has progressed gradually mostly in and around the cities of Bombay and Calcutta, while the major development in the South was after 1930. The following table shows the growth of the Mill Industry in the last nine decades.

[*Source*: MILLOWNERS' ASSOCIATION BOMBAY.]

Year		Number of Mills	Number of Spindles	Number of Looms	Approximate Cotton Consumption (in bales of 392 lbs.)
30th June,	1866	13	309,000	3,400	No Record
"	1900	193	4,945,783	40.124	1,453,352
"	1915	272	6,848,744	108,009	2,102,632
31st August,	1926	334	8,714,168	259,464	2,113,384
"	1936	370	9,856,658	270,062	3,181,418
"	1939	389	10,059,370	203,464	3.810,738
"	1946	421	10,305,169	202,814	4,549,932
"	1947	423	10,353,973	202,682	3,972,156
"	1948	408	10,265,841	197,469	4,200,170
"	1956	465	12,375,805	206,580	4,979,890

The Cotton Mill Industry plays a vital role in the industrial economy of this country. The Share Capital of Rs. 115.15 crores (excluding borrowings like mortgage loans) invested in the Industry is about 12%

of the total paid-up capital of all the Industries in India, while the value of production of about Rs. 400 crores is about 35% of the annual production value of all the Indian Industries. The Industry's annual contribution to the Central and State Exchequers by way of taxes, including Wealth Tax, Excise and Import Duties as also Sales-tax, is estimated to be almost equivalent to the paid-up share capital invested in this Industry. Coming next to Agriculture, the Industry supplies the second basic human necessity. Employment potential is very large in that the labour force of more than eight lakhs of workers directly employed in the Mill Industry is about 30% of the strength of the Industrial labour in India. Besides this, a large number of handloom weavers and quite a number of persons in the ancillary industries and agriculturists growing cotton, depend on the Mill Industry for their livelihood. Thus, to-day the Cotton Mill Industry, by any yardstick, is by far the biggest amongst the organised industries in this country.

The primary divisions of the Industry can now be classified as under:

(i) (a) Mills producing yarn only,

(b) Mills producing yarn and cloth,

(ii) Small Power Looms producing cloth from mill-made yarn,

(iii) Handloom Industry, producing cloth from mill-made and hand-spun yarn,

and

(iv) Processing industry for bleaching, dyeing, and printing of of different varieties of cloth.

The State-wise distribution of the Textile Mills in the Indian Union, as at 31st August 1956 (before States Reorganisation) was as under:

[MILLOWNERS' ASSOCIATION, BOMBAY]

	Number of Mills	Spindles installed	Looms installed	Share Capital
Bombay Island ...	66	31,13,620	64,467	25,17,40,375
Ahmedabad ...	71	20,39,162	41,550	15,42,32,078
Bombay State ...	59	12,92,760	24,070	9,68,06,896
Saurashtra ...	9	1,63,760	3,345	3,13,00,800
Rajasthan, Ajmer & Pepsu	12	1,89,264	3,942	3,86,97,013
East Punjab and Delhi ...	12	2,55,356	5,093	4,68,45,556
Uttar Pradesh ...	29	8,32,368	13,945	7,90,90,063
Madhya Bharat & Bhopal ...	17	4,39,332	10,980	9,80,26,300
Madhya Pradesh ...	11	3,75,598	7,354	3,93,12,740
Bihar & Orissa ...	5	90,024	1,609	1,06,07,968
West Bengal ...	39	5,39,034	10,652	8,16,25,377
Hyderabad State ...	7	1,57,632	3,295	2,67,35,600
Madras ...	104	24,37,579	9,528	15,24,00,953
Travancore & Cochin ...	10	1,36,504	718	99,83,280
Mysore ...	11	2,36,684	3,706	2,77,15,515
Pondicherry ...	3	77,128	2,326	64,00,000
TOTAL ...	465	123,75,805	206,580	115,15,22,534

In the South, Madras State has been outstanding in the growth of this basic industry. Earlier development was, no doubt, by British interests, by the erection of the first unit in Madras, the Buckingham & Carnatic Co. Ltd., now ranked as one of the foremost composite units of India, exporting their products right up to Canada, to be followed up by a Spinning unit, presently reckoned to be the biggest spinning unit East of Suez, the Madura Mills Co., Ltd. The birth of the Industry in Coimbatore was in 1888. By 1925, there were only nine Mills in the whole of South India, with a total installed capacity of 7,07,000 spindles and about 7,240 looms, of which four units were in Coimbatore. The real development in the South, particularly in the Coimbatore area, was after 1930. The existence of a large number of handlooms and an abundant supply of good quality raw cotton like Karunganni, Cambodia, etc., in the Districts of Coimbatore, Madura, Ramnad and Tinnevelly, coupled with the opening up of the Pykara and Mettur Hydro-Electric systems offering cheap and abundant power supply enthused the traditional agriculturists, well experienced in cotton growing, to embark on industrial ventures, particularly textile mills. Just after the depression of the thirties, while machinery prices were low, finding finance was a great problem, as then the public had not been accustomed to investing in Joint Stock Ventures. This naturally led to the promoters meeting with innumerable difficulties in finding the necessary capital and, in fact, they had to risk their entire resources in the establishment of mills in the pre-war years and that too at a time of acute depression and great competition in the textile trade from foreign countries like Japan, U.K., etc. By about 1938-39, about forty-one more mills had sprung up in the South, Coimbatore alone accounting for twenty-seven of them. From then onwards the march has been rapid and between 1939 and 1956, the number of Mills rose to 128, as could be seen from the statement below.

(*Source*: MILLOWNERS' ASSOCIATION, BOMBAY.)

—	Number of Mills	Number of Spindles installed	Number of Looms installed	Approximate cotton consumption (bales of 392 lbs. each
Madras State ...	104	24,37,579	9,528	8,12,804
Mysore ...	11	2,36,684	3,706	1,16,822
Kerala ...	10	1,36,504	718	51,316
Pondicherry ...	3	77,128	2,326	30,594
Total ... SOUTH INDIA	128	28,87,895	16,278	10,11,536
Total ... *INDIAN UNION	465	1,23,75,805	2,06,580	49,79,890

* Does not include 34 Mills which have either been registered or in course of erection.

The need to cater to the large number of handlooms in the South has kept most of the South Indian Mills as purely spinning units. In the post-war era, expansions on the weaving side could have taken place but for the Government's policy of restricting the erection of looms. Thus, the number of spindles in South India is higher at 23.3 % of the Indian Union, while the number of looms is a shade under 8%.

PROGRESS

The Textile Industry has made all round progress since the Second World War by planned expansion in the post-warera. The path of progress was not at all at smooth inthe early independence period, owing to scarcity of raw materials, labour unrest and rising costs of production, apart from controls on production, distribution and prices. While the internal demand for cloth was mounting up, the demand from abroad, particularly from countries devastated by the war, was also great. These gave a good fillip to the Textile Mill Industry which exceeded the targets laid down in the First Five-year Plan well in advance. The 1955-56 rated capacity, as per the First Plan, was 11,292,241 spindles and 195,849 looms to give an output of 1,640 million lbs. of yarn and 4,700 million yards of cloth against which as at 31st August 1956, the installed capacity in the Indian Union had gone up to 1,23,75,805 spindles and 2,06,580 looms while the production for the year ended 31st December 1956 was 1,671 million lbs. of yarn and 5,306 million yards of cloth.

South India accounted for a major slice in the expansion in the post-war period, Madras State alone accounting for about a third of the increases in the installed capacity in the Indian Union, as could be seen from the following table. Just after the partition in 1947, Indian Union had 408 mills and in the decade of independence, 57 new Mills have sprung up, South India alone accounting for 42 new units.

[*Source*: MILLOWNERS' ASSOCIATION, BOMBAY.]

As at 31st August		1948	1956	*Increase*
ndian Union	Number of Mills	408	465	57
	Number of Spindles	1,02,65,841	1,22,75,805	21,09,964
	Number of Looms	1,97,469	2,06,580	9,111
adras State $	Number of Mills	73	104	31
	Number of Spindles	16,30,054	24,37,579	8,07,525
	Number of Looms	7,976	9,525	1,552
ysore, Kerala & Pondi-cherry	Number of Mills	13	24	11
	Number of Spindles	2,63,449	4,50,316	1,86,867
	Number of Looms	5,167	6,750	1,583

$ Before States Reorganization came into effect.

Three million spindles were licensed under the Industries (Development and Regulation) Act, of which so far only about 1.2 millions have been erected and about 1.8 millions are yet to be erected. The Commerce Minister, Shri Morarji Desai has stated at the Conference of the Cotton Textile Industry and Trade held in New Delhi on the 14th July 1957, that "it will be futile to think of allotment or licensing of more spindles when positive performance is lacking even as regards the existing licensees." He also issued a warning that if steps were not taken for the implementation of the 1.8 million spindles outstanding, within the next three months, they would be reallotted to others. The Government have also licensed recently about 9,000 automatic looms to the Mill Sector on condition that the cloth manufactured out of these looms should go only for export and if diverted to the internal market, there would be a penal levy. Progress in the erection of these looms is bound to be slow, as not only the capital market is shy but the Mills also are finding their liquid position tight and borrowings not easy.

TEXTILE MACHINERY

The main obstacle in the way of progress, in the early independence period, was in obtaining the machinery. In the post-war years, there was huge demand for textile machinery from all the world over. With demand outrunning supply, there was great delay on the part of the foreign manufacturers in supplying the machinery ordered for. This gave a good fillip to the Indian textile machinery manufacturing industry which has made rapid strides in the ten years of independence. Textile Machinery manufacturing units like the National Machinery Manufacturers' Corporation in Bombay, manufacturing Carding Engines, Texmaco of Calcutta, Textools of Coimbatore and Ramakrishna Industrials of Coimbatore, manufacturing spinning frames and looms, and allied machinery, have all shown rapid expansions in the decade of their existence. With the restrictions imposed on imports, these units are already well booked ahead. The tight foreign exchange position, forcing purchases of foreign machinery on a deferred payment basis, has ggravated the strain on the indigenous producers. Still the Blow Room achinery has to be imported. The demand for textile machinery is ound to increase further, once rationalisation of the Mill Industry starts n a planned scale. There is therefore great scope for expansion in the nachinery manufacturing field.

India plays an important role in the world set-up, being ranked second both in production and export. As per the "International Review of Cotton and Allied Textile Industries", issued by the International Federation of Cotton and Allied Textile Industries, Manchester, the total number of spindles in the world as at 31st July 1956, had increased to 131.34 millions, show ng a rise of 1.5 millions from the installed capacity in the previous year. The slight decreases in Europe have been counter-balanced by increases in Asia and other countries. Statistical comparison as to the rated capacity of looms as at 31st January, 1957, reveal a reduction of 6,645 looms over the revised figure of 2.8 millions as at 31st January 1956. A comparison of the figures in the following table shows the extent of reduction in plain looms since 1930 and the rise in automatic looms.

WORLD POSITION *Versus* **INDIA**

(*Source* : INTERNATIONAL FEDERATION OF COTTON AND ALLIED TEXTILE INDUSTRIES, MANCHESTER.)

YEAR,	Looms				Spindles (000 omitted)	Index of Production*	
	Ordinary	Automtic	Automatic attachments.	Total		Year	Cloth
1930	2,444,296	661,023	53,459	3,158,778	164,108	1929	106
1933	2,481,327	596,596	52,046	3,129,969	157,755	—	—
1936	2,343,693	662,167	64,045	3,069,905	151,745	1936-38	115
1952	1.833,569	826,773	65,350	2,725,632	127,890	1952	118
1955	1,932,356	878,099	78,974	2,889,429	129,838	1955	132
1956	1,820,794	902,237	78,808	2,801.919	131,340	1956	137
1957	1,801,134	918,458	75,682	2,795,274	...	—	—

* *Source* : Cotton Board.

By the marked reduction in looms, production of cloth has not gone down, as replacement of ordinary looms by automatic looms has led to increase in production and improvement in quality also.

India accounts for only 9.2% of the world's installed capacity of spindles and just over 7% in looms. In the case of Japan, the figures are 6.5% of spindles and 12.8% of looms. Taking Asia and Ocea-: India ranks first only in Spindleage capacity with 45% of the sp. and about 28% of looms, with Japan at 30% of the spindles and 50% of the looms. Japan, having rebuilt the Industry in the post years, has the advantage of the latest machinery and is to-day leading exporter in the world, with India coming second. In U. S due to the high per capita income and a high per capita consumptio cloth, domestic demand is so great that exports are very limited. T the percentage of exports to production is the lowest in U. S. A. as following table illustrates.

In India also, there is a great internal market, while her competitive position in world market is gradually diminishing mainly due to the increase in cost of production. With the erection of the 9,000 looms recently licensed, to produce cloth for export only, there is every possibility that the percentage of exports to production in the case of India also may go up in the coming years.

(*Source* : (1) and (2) COTTON BOARD QUARTERLY STATISTICAL REVIEW.)
(*Source* : (2) MILL OWNER'S ASSOCIATION, BOMBAY.)
(*Source* : (3) ALL JAPAN COTTON SPINNERS' ASSOCIATION.)

Serial No.	Name of Country	Number of Spindles	Number of Looms	Cotton Cloth	
				Production	Export
		(in thousands).		*Million yards.*	*Million yards.*
1.	United Kingdom	23,792	3,12,606	1,612	474
2.	U.S.A.	21,897	3,62,925	10,248	519
3.	India	12,375	2,06,580	5,306	684
4.	Japan	8,501	3,68,404	3,300	1,262

Statistics in regard to cotton are compiled all the world over as at 31st August, as that is the world's cotton year. The feature in the cotton economy of the world has been the consistent rise in the carry-over of surplus stock in the last few years, in spite of the acreage restriction and reduction in some of the major producing countries like America, Egypt, etc., and the rise in the consumption of cotton in the world. The surplus stock of 20.5 million bales at the beginning of the 1955-56 season, rose to 21.9 million bales in 1956-57. Preliminary estimate of the stock at the beginning of the 1957-58 season is placed lower at 20.5 million bales. The pattern of cotton consumption also has, of late, been changing. The development and increasing use of man-made fibres in countries like U.S.A., Japan etc., had a direct bearing on cotton consumption which should have otherwise risen to a still further higher level.

COTTON

According to the latest report of the International Cotton Advisory Committee, the total production of cotton in the Free World (excluding the Communist Countries) for the 1956-57 season is placed lower by about two million bales at 28.8 million bales of 478 lbs. each. U.S.A. is the major producer of cotton, accounting for almost half the output of the world. American production for 1956-57 is placed at 13.0 million bales and that of the other countries in the Free World at 15.8 million bales.

Though consumption in U.S.A. has declined by about five lakhs of bales at 8.7 millions in 1956–57 against 9.2 million bales in the previous season's, consumption in the other countries of the Free World (excluding U.S A.) was an all-time record at 2).8 million bales, against 19.24 million bales in the previous season, thus more than offsetting the lower consumption in U.S.A.

In spite of the reduction in acreage in U.S.A., over the past five years from about 27 million acres to 15.6 millions in 1956–57, on the intensive cultivation methods adopted, per acre yield has risen to about 417 lbs. in 1955-56, against the pre-war figure of 212 lbs. But in the rest of the Free World, inspite of an increase in the planted area from 40.1 million acres (average for 1950-55) to 46.4 million acres in 1956–57, the per acre yield has fallen in 1956–57 to 163 lbs., from the 1950-55 average of 167 lbs. For 1957–58 seasons, U.S. acreage is expected to be still further lower at 13.7 million acres, and the crop at 12.6 million bales (500 lbs. each), based on an estimated record yield of about 446 lbs. per acre, against 408 lbs, in 1956–57 and 417 lbs. in 1955-56. The acreage under cotton in U.S.A. is the lowest on record since 1878. In contrast to U.S.A., India has the highest area under cotton in the world at 19.8 million acres, but the output is low at the estimated production of 4.7 million bales of 392 lbs. each for 1956–57. This is due to the low per acre yield of about 91 lbs. against well over 400 lbs. in U.S.A. Therefore, it is not the expansion of the acreage that is the solution for raising production, but concerted measures to push up the per acre yield.

The cotton economy of India received a big jolt in the early stages of the post-independence period. On partition about 22% of the land under cotton producing 38% of the cotton crop of undivided India, mostly of good quality, went to Pakistan. Conversion of cotton areas to other cash crops of a remunerative character led to a further drop in acreage and output. Nature too was unfavourable in the initial years. With controls on prices, and the zonal system of distribution etc., incentive to cotton-growing was waning. Thus, by 1949 the acreage under cotton had fallen from the 1938-39 figure of 25 million acres yielding 5.3 million bales. to a low of 11.3 million acres with the output at 1.77 million bales. In view of the continued dependence on imports of large quantities of cotton to meet the rising mill consumption of over four million bales, steps were taken to bring more areas under cotton and also to accelerate production of superior varieties, by widening the price difference between the inferior and superior varieties. The gradual relaxation of all controls, except the price control had also a stimulating effect. The efforts of the

Indian Cotton Central Committee to push up production of long staple varieties have also been bringing in the desired results gradually. Just after the partition in 1947, production of long staple cotton in India was only 15% of the total output and in 1955-56 season, this had gone up to 38%. Experiments are also being made to produce cotton of 1-1/16" and 1-1 18" staple in this country. Thus, the Indian cotton economy was rebuilt in the post-independence period, to ensure adequate supply of Indian cotton to the Mills, excepting for a small quantity of long staple varieties that have still to be imported.

South India has not lagged behind in the production of cotton. Though the area under cotton has been steadily going up from 1940, successive failures of monsoon till 1953 hampered production. Since 1954, production has kept pace with the increase in acreage.

The following table illustrates the gradual increase in acreage under cotton and also production in the decade of independence.

(*Source*: DIRECTORATE OF ECONOMICS AND STATISTICS, MINISTRY OF FOOD AND AGRICULTURE. NEW DELHI.)

—	Year ending 31st August	Area under production	Production in bales of 392 lbs. (*in thousands*)
INDIAN UNION	1948	10,665	2,188
	1949	11,293	1,767
	1950	12,173	2,628
	1951	14,556	2,971
	1952	16,198	3,133
	1953	15,693	3,131
	1954	17,182	3,965
	1955	18,684	4,227
	1956	19,978	4,001
	1957	19,843	4,723
SOUTH INDIA: (Madras Andhra and Mysore)	1948	1,361	289
	1949	1,637	359
	1950	1,760	467
	1951	1,838	381
	1952	1,902	482
	1953	1,703	356
	1954	1,912	486
	1955	2,084	470
	1956	2,154	490
	1957	4,634*	861*

* On the adjustment of boundaries as a result of the States Reorganisation, some areas under cotton, previously in other States, have come into the fold of Andhra, Mysore and Madras and Kerala, and this accounts for the marked rise in the acreage and production in South India.

Although the days of scarcity of Indian cotton are over, the rising mill consumption is a challenge to the cotton economy and unless production of cotton is further stepped up, dependence on imports will go up again. To quote from the September 1957 issue of "Cotton" a monthly review of the International Cotton Advisory Committee, Washington, "strictly speaking India is now a net importing country but for analysis purposes it is often more convenient to deal separately with this country. Disappearance continued to exceed supply last season and stocks are estimated to have declined by about a quarter of a million bales. This explains why the Government is at pains to maintain a high level of cotton production and also the relatively favourable price situation in India".

The statement below gives the mill consumption of cotton for the last fifteen years. The figures given are for the calendar year.

[*Source*: MILLOWNERS' ASSOCIATION, BOMBAY]

(In thousand bales of 392 lbs. each)

Calendar Year	Indian Cotton	Foreign Cotton	Total
1943	4,540	542	5,082
1944	4,160	684	4,944
1945	4,291	597	4,888
1946	3,545	635	4,180
1947	3,252	724	3,976
1948	3,283	1,105	4,388
1949	2.816	1,224	4,040
1950	2,421	1,071	3,492
1951	2,740	1,106	3,846
1952	3,234	1,025	4,259
1953	3,694	788	4,482
1954	4,950	727	4,677
1955	4,306	579	4,885
1956	4,372	619	4,991

Cotton season-wise consumption of Indian Cotton by Mills in the cotton year 1956-57 (which ended on 31st August 1957) was an all-time record one at 4,465,581 bales while the consumption of foreign cotton was lower at 567,468 bales, to bring the total consumption to 5,233,049, against 4,968,677 bales, made up of 4,365,456 bales of Indian and 603,221 bales of foreign cotton in the 1955-56 season. To cope up with the rising tempo of mill consumption, the target of production under the Second Plan has been increased from 5.5 million bales to 6.5 million bales of 392 lbs. each.

It will be sometime before the official estimates of acreage and crop for 1957-58 season in India is made available. Preliminary indications are that the target of 4.1 million bales of 478 lbs. each, equivalent to 5 million bales of 392 lbs. each, fixed for 1957-58 may be achieved.

In the pre-war years (in 1938-39) production was about 920 million lbs. of yarn and about 4,260 million bales of cloth. The outbreak of the war not only relieved the Industry of competition from imported goods, but saw a great demand for indigenous products. Indian mills took full advantage of the opportunity and output rose to 1,643 million lbs. of yarn and 4,850 million yards of cloth in 1943. The imposition of controls on production and distribution for the first time in 1943 and later controls on cotton distribution, prices etc., changed the trade from normalcy to one of controlled economy. The result was a precipitous fall in output and by 1947, production had fallen to 1,295 million lbs. of yarn and 3,761 million yards of cloth. With the removal of all controls in 1948 there was a quick jump in production to 4,319 million yards of cloth and 1,448 million lbs. of yarn. With the war-time inflationary spiral continuing and with demand out-running supply, prices of yarn and cloth shot up. Before trade got stabilised and supply and demand got adjusted, the Government again reimposed controls on production, distribution and prices of yarn and cloth in 1949. Cotton production was then very low and mills had to depend on imports of large quantities of cotton or look to alternate fibres. The result was a steep fall in production by over a thousand million yards of cloth in the next two years. Since 1953, encouraged by the removal of all controls, except on production, there was a change for the better, and production gradually improved in the last three, four year. Apart from favourable factors like uninterrupted supply of cotton, and adequate power supply, excepting for occasional power cuts in the South, the major factor that helped a rise in production was the utilisation of the available machinery to the fullest capacity, by many mills working three shifts, with the result 1956 beat all previous records in production, consumption of raw materials, employment potential, earnings, contribution to the Central and State Exchequers etc.

PRODUCTION

The following statement illustrates the production of yarn and cloth in the Indian Union and in South India during the last eight years.

[*Source*: TEXTILE COMMISSIONER, BOMBAY.

(*In Millions*)

—		Year	Yarn lbs	Cloth yards
INDIAN UNION:	...	1949	1,359.1	3,904.2
		1950	1,174.2	3,665.1
		1951	1,303.9	4,076.2
		1952	1,449.1	4,598.6
		1953	1,505.1	4,878.5
		1954	1,561.0	4,997.7
		1955	1,630.0	5,094.4
		1956	1,671.0	5,306.0
SOUTH INDIA: Including Pondicherry		1949	257.0	186.7
		1950	221.1	166.3
		1951	223.6	178.5
		1952	244.6	182.1
		1953	252.0	185.0
		1954	286.2	214.6
		1955	325.0	255.0
		1956	337.0	296.0

South Indian production which has kept pace with the general rise in the Indian Union, could have been better but for the severe power cuts every year, in the first halves of 1950 to 1953, due to the failure of monsoons and the consequent low water levels in the reservoirs. While there was no power cut in 1954 and 1955, there was again a cut in 1956, starting at 25% and rising at one time to as much as 66-2/3%. More than cloth, yarn production in the South has been steadily going up on more and more new units coming in, apart from expansions in the existing units. Out of the increase of 212 million yards of cloth and 41 million lbs. of yarn in the Indian Union in 1956, over that of 1955 South India's share has been 31 million yards of cloth and 12 million lbs. of yarn, accounting for 14.6% and 29.3% respectively in the increases.

The production pattern given below reveals that with the gradual improvement in the supply of Indian cotton to Mills, there has been a spectacular jump in the production of coarse and medium varieties in tune with the increased demand for such varieties both internally and abroad. The drop, however, in the case of fine varieties is drastic, being almost 50% compared to 1953. Superfine goods have registered a modest rise.

[*Source*: TEXTILE COMMISSIONER,

(*In Millions*)

—	1953	1954	1955	1956
Coarse — — —	598	509	572	719
Medium — — —	3,136	3,136	3,758	3,797
Fine — — —	838	461	462	444
Superfine — — —	304	334	301	347

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In spite of the revised textile policy announced in June 1956 laying great stress on handlooms to meet the rising demand for cloth, handlooms are yet to touch the target of 1,700 million yards envisaged in the First Plan, while the Mill Industry has already crossed the mark and gone further ahead. The distinct improvement in production witnessed in the Mill sector in 1956 has not only been maintained so far but improved upon during 1957. Production in the first six months ended July 1957 has been 2,709.2 million yards of cloth and 890.7 million lbs. of yarn against 2,582.9 million yards of cloth and 802.1 million lbs. of yarn during the corresponding period in the previous year.

South India has not lagged behind, in spite of the handicap of the power cut in the first half of this year also, accounting for a production of 199.5 million lbs. of yarn and 158.7 million yards of cloth, as per the Statistical Bulletin of the Textile Commissioner, Bombay, against 156.2 million lbs. of yarn and 118.4 million yards of cloth for the same period in the previous year. The following figures taken from the Statistical Bulletin of the Textile Commissioner, illustrate the installed capacity and production in the Indian Union vis-a-vis the five States of the South for the first half of 1957. The figures for the first half of 1956 given in the statement, for purposes of comparison, are for the set-up before the States Reorganisation came into effect.

Name of State.	Six months Jany/June	INSTALLED CAPACITY		PRODUCTION (*in thousands*)	
		Spindles	Looms	Yarn	Cloth
Andhra State	1956	60,380	*	4,794	*
	1957	150,516	1,460	13,428	20,226
Madras State	1956	2,212,264	*8,523	119,826	69,402*
	1957	2,436,842	8,032	137,796	70,716
Mysore State	1956	243,436	3,097	19,206	29,658
	1957	407,528	4,649	31,152	41,988
Kerala State	1956	140,412	717	7,662	8,784
	1957	182,686	1,225	10,410	10,230
Pondicherry	1956	81,124	2,089	4,758	10,632
	1957	77,928	2,319	6,744	15,588
TOTAL FOR S. INDIA	1956	2,737,616	14,426	156,246	118,476
	1957	3,255,300	17,685	199,533	158,748
FOR INDIAN UNION	1956	12,051,209	202,901	802,170	2,582,946
	1957	12,491,774	200,983	890,748	2,709,180

* Figures for Andhra included in Madras State.

Apart from the general expansions on a small scale in the existing units, on readjustment of boundaries under the States Reorganisation scheme, some more mills which were previously in other States, came into the fold of Andhra, Mysore and Kerala. Madras State, which is second in the set-up of the Textile Industry in India, did not get the benefit of any mills coming in from other areas, but, on the other hand there were defections of all the units in the Malabar District, going to Kerala. The substantial rise in production, particularly yarn, shows the extent of expansions, particularly in the spinning capacity in Madras State.

Judged by the results of the first half of the year, it looks as if Indian production in 1957 may beat even the 1956 record. With production in the handloom sector showing a rise of only 341 million yards at 1,541 million yards (which is in itself far below the target of 1,700 millions laid in the First Plan to be achieved by 1955-56), compared to the production of about 1,200 million yards in 1953, it is clear that handlooms, in spite of all the subsidies and assistance given by the Government, cannot improve production appreciably in the immediate future. Handlooms cannot now complain of shortage of yarn, as the spinning capacity of Mills has gone up enormously, resulting in a rise of about 20% in yarn production and the present supply of yarn is much more than the offtake or potential demand from handlooms. With the purchasing power of the people curtailed by the recent heavy imposts, and with the continued rise in the cost of living, consumer resistance has brought about huge accumulation of stocks of both cloth and yarn with Mills. The problem now, therefore, is not one of production but of marketing.

In spite of the general improvement in the production of cotton textile fabrics in the world, reflecting the substantial increase in the consumption of cloth, the downward trend in the world trade of cotton fabrics that started a couple of years ago, gathered further momentum in 1956.

EXPORT

Available statistics indicate that the world exports which declined by 11% in 1955 saw a further break of 5% in 1956. The striking feature of world tra[illegible] in 1956 was U.S.A. beating U.K. to take the third place, with Japan r[illegible] first and India second. In a shrinking world trade Japan alone [illegible] a higher export figure than 1955, shows the competitive position enjoy[illegible] by Japanese goods in world markets.

Since the Second World War, India has emerged as or of the fire major cotton textile exporting countries in the world, occupying the first rank in 1950. The rising of Japan, West Germany, France, U.K. etc., again as keen competitors, and some of the under-developed countries developing their own Mill Industry and erecting barriers to restrict

imports in order to encourage indigenous production, led not only to a gradual shrinkage in world trade but greater competition. The restrictive policy of the Government of India in 1951, to discourage exports and divert more cloth for internal consumption proved so costly that by 1952 Indian exports had dropped by about 50%. Gradually the rising production of mill cloth coupled with the necessity of boosting exports not only to retain the markets captured but to earn foreign exchange, resulted in the Government gradually relaxing controls, abolishing duties etc. Though all these went a long way to promote a gradual rise in exports of Indian cloth, India is not still on solid ground in world markets, since price factor and quality considerations have come to play a great part. The need for a suitable machinery to explore foreign markets and to make on the spot study and also do propaganda work, brought about the formation of the Cotton Textile Export Promotion Council in 1953. Within the short span of four years, the Cotton Textile Export Promotion Council have indeed done a remarkable job by opening offices in some of the Far Eastern Countries to assist the prospective buyers in those areas, by sending out teams abroad to make on the spot study of markets, drawing up packing standards, factual examination scheme of cotton textiles before shipment, organising exhibitions, publicity campaigns etc.

Apart from the traditional competitors in the world, the emergence of countries like Pakistan, China etc., as major producers of Cotton Textiles and the barter deals, triangular arrangements and deferred payment sales arranged by some of the countries like Bulgaria, Russia, East Germany etc., in their all out bid to capture world markets, acted as a deterrent to the acceleration of Indian exports. By and large, India's performance was the best that could be achieved under the circumstances. The following table gives the exports of yarn and cloth during the post-independence period.

[*Source*: DIRECTOR GENERAL OF COMMERCIAL INTELLIGENCE & STATISTICS]

(*In Millions*)

Year	Yarn	Cloth
	lbs	yards
1948 — — —	6·3	308·1
1949 — — —	32·7	466·3
1950 — — —	82·7	1,071·8
1951 — — —	26·2	732·3
1952 — — —	19·8	542·9
1953 — — —	16·1	59[illegible]
1954 — — —	8·0	[illegible]
1955 — — —	18·3	[illegible]
1956 — — —	12·1	[illegible]

There was practically no change in the categories of Indian exports, coarse counts accounting for 25%, medium 70% and fine and superfine varieties 5%. Though in the world position, India takes the second place in production and export, still the ratio of export in relation to production is far below that of Japan or U.K. Japan's figure is the highest at 38.2% while that of U.K. is 29.4%. India's figure is only a shade under 13% taking mill cloth exports alone for comparison. America's figure is the lowest at 5.6%.

Reporting about the trading conditions in 1956, "Texprocial," a bulletin of the Cotton Textile Export Promotion Council has said, "cotton textile trade in the Asian markets was characterised (1) by attempts on the part of some of the countries, particularly Iran and Iraq to set up their own textile industries for the protection of which heavy tariffs were levied on imports particularly of the coarse and medium varieties, (2) triangular deals with Japan, (3) barter agreement especially with Communist countries, and (4) increasing demand for finer qualities and processed textiles. India suffered on account of these factors." Indian exports to markets in the Asian region dropped by 22% compared to 1955 while Japan was able to record a rise of 26% in those markets. Indian exports to Indonesia also declined by 50% while here also Japan was able to record a rise of 26%. The competitive position of Japan is not only due to the modern machinery and the latest techniques of manufacture but also due to the higher workloads, thus reducing the cost of production to cater to the various markets with cheapness, novelty and quality in view. Besides, rayon and man-made fibre mixture goods are making an inroad into the traditional markets for cotton textiles. It would be appropriate to repeat here the words of Sir Raymond Street, Chairman of the U.K. Cotton Board which are equally applicable to India's export trade as they are to U. K. (Reproduced from "Texprocil")

> "It would be fatal to assume that we should reconcile ourselves to a steadily decreasing share of export trade.........There are opportunities for us to sell our own products. Thes opportunities, however, need searching out. It may mean mor personal visits to explore market potentialities. It may mean modifying one's products or processing techniques to meet discovered needs. It may mean joint co-operative efforts to meet delivery dates or seasonal buying peaks. But there is every incentive for firms which mean to stay in business to undertake market investigations and relate their production policies to the results of these investigations."

Limited quantities of yarn were allowed for export in 1956 and also in the first half of 1957. But the exports were not appreciable due to several factors like the prices quoted by the importing countries not proving attractive, the barriers erected by some of the traditionally importing countries to protect the indigeneous production etc. With a substantial rise in the production of yarn in India, estimated now to be about 20% higher than that in 1956, and the offtake not keeping pace with the rate of rise in production, the Government of India first announced in July 1957 that export of yarn up to 5,000 bales would be allowed on the basis of first come first served basis, the licences to be issued to manufacturers or exporters, and later the quantity was increased to 17,500 bales. Out of this only about 12,000 bales had been exported and on 22nd October 1957, the Government announced that a further 50,000 bales would be allowed for export on the same basis. Judged by the trend of production and offtake and the behaviour of the yarn trade in India, it is time steps are taken by the manufacturers and exporters by personal visits and on the spot study of markets to explore possibilities of finding out outlets for the surplus yarn that is now available. South Indian Mills should, in their own interests, take special steps to find out ways and means to export regularly a portion of their yarn output to combat the seasonal menace of accumulation of stocks.

Export of cotton piece goods from Bombay port during the first half 1957 is placed at about 439 million yards as against 364 million yards in the first half of 1956 and 389 million yards in the first half of 1955. In order to reach the target of 1,000 million yards fixed at the Buxton Conference in 1952, Japan has already beat the target of 1,100 million yards while U.K. and U.S.A. are far behind their figures of 1,350 million yards and 725 million yards respectively. The Government of India have alloted so far 9,000 automatic looms on the specific condition that the cloth manufactured out of these looms should go for export and if divertedto the internal market, there would be a penal levy. In the present condition of the capital market and restriction on imports coupled with the difficulties of buying machinery on a deferred payment basis, erection of these looms is bound to take some time.

In spite of about 75% of the machinery in the Mill sector being well over twentyfive years old, judged by the progress made by the Industry in the last few years and the proposed expansion programmes, there is no doubt that the Mill sector should be able to meet the rising demands both internally and abroad in the immediate future. Besides supplying the second basic human needs, after food, the Mill sector is earning foreign exchange to the tune of about Rs. 65 crores. In a shrinking world trade with competition from major producers offering quality goods manufactured out of the latest machinery adopting latest techniques of production, if India is to retain her position in the world trade attention should be bestowed not only on improving the quality but also on reducing the cost of production. Several things like prices of raw materials, emoluments to labour, kind of machinery used, technical research etc., all go to make up the cost of the end-product. India's main strength in the world markets is on medium and coarse varieties helped so far by the price advantage of Indian cotton. This advantage is now seriously threatended not only by the rise in price of Indian cotton but also the competitors getting more of American cotton at prices well below those prevailing in America etc., as a result of the American export subsidy scheme to reduce surplus stocks. Under these circumstances, rationalisation and modernisation of machinery is the only way not only to reduce costs, but also to improve quality.

RATIONALISATION

The competitive position which Japan now occupies in world trade is due to (1) their wage cost being light and (2) the percentage of automatic looms to the installed capacity being very high at about 67% as against about 7% in India. With a higher standard of living envisaged in the Second Plan, naturally, consumption of cloth in an expanding economy should also gradually move up. On the export front also, India's competitive position could be maintained, and also improved upon, if Indian cloth is improved in quality and made cheaper by reduction in costs. Towards this end, it is essential that every sector of the Industry should be galvanized. Automatisation in advanced countries has proved beneficial and has not caused any great unemployment but has created fresh employment opportunities. However, initially there was strong opposition for rationalisation of the Indian Mill Industry on fears of displacement of labour. As time passed, considering the trend of the world trade, it has been finally accepted by the Government that the Industry should be rationalised and modernised, but only gradually, spread over a number of years, just to avoid undue hardship or displacement of labour. Conversion of about two lakhs of plain looms into automatic looms and modernisation of the spinning side to feed these looms create several problems like (1) the large amount of finance, and (2) suitable machinery. The Industry also is gradually going ahead with the scheme of rationalisation of the spindles, looms etc., to the extent that finance is available from their own resources or to the extent borrowings could be had from the Industrial Finance Corporation or

National Industries Development Corporation. In the present difficult foreign exchange position, and with the indigenous producers not being able to keep pace with the demand and with purchases on deferred payment system proving costlier, naturally progress is bound to be slow in modernisation and rationalisation. It would be apt to quote here the words of Sir John Burn at the annual meeting of the Millowners' Association, Bombay:

> "The life blood of development in Industry, be it in the public or private sector is Finance—the opportunity of finding finance is going to be strictly limited by virtue of the fact that Government has already absorbed all, or almost all, that is likely to be available.—Long-term credits must make a considerable addition to the ultimate cost and *ipso facto*, add, in due course, to the exchange problem."

Rough estimate that a seven year credit may increase the cost by about 45%. Therefore, the impediments in the way should be removed to accelerate industrial growth and rationalisation to enable India to offer cloth of quality at competitive prices in world markets and thus retain not only the existing markets but also capture the markets lost and enter new ones. Attention should also be bestowed to convert uneconomic units into economic sizes. The labour problem, if any on automatisation, will get automatically solved by the absorption of the surplus labour in the spheres where there are expansions.

The following extract from the statement of Mr. W. T. Winterbottom, C.B.E., President of the International Federation of Cotton and Allied Textile Industries at a Press Conference in Manchester on November 26, 1956, is interesting reading. If it applies to Britain, it applies all the more for India under present conditions.

> "Continually increasing standards of living in all countries furnish new and large markets for textiles. A comparison between national income and consumer expenditure shows that many domestic and foreign markets can be greatly expanded. ....The advent of man-made fibres helps considerably in this respect. It has provided the textile industries with a wider choice of raw materials and enables them to manufacture new and more varied products for their customers. A comparable advance has been made through the development of new finishes for textile fabrics, made both from the new and from the traditional fibres."

"I believe that we are on the edge of a new era of development in textiles. In addition to the rapid progress which is being made in man-made fibres and with new finishes, important changes are taking place in machinery. The rate of advance at the present time is rapid, and looking back we have done a long way from the time when we were merely crude manipulators of raw materials. In the 1930s our story was one of interminable discussions in all Europen countries of the problems of redundancy and surplus capacity in machinery, and something of the same kind has happened since the war. Now the position is different. Unless we can be up-to-date with modern machinery and modern methods, the great danger we have to face is one of obsolescence. I am convinced that we should no longer waste time in considering, around conference tables, how existing plant can be reduced to match demand. Obsolescence of existing plant, as new machines are developed, is going to take charge of that problem, and we shall have our work cut out to keep pace with the latest developments."

PER CAPITA

The standard of living of the people of India is probably the lowest in the world and consequently the per capita consumption of food and cloth is on the low side. The per capita consumption of cloth which ranged between fifteen and sixteen yards in the pre-war period fell to as low as twelve yards in the war years due to acute scarcity of cloth. In the decontrol period of 1948, it rose to about 17 yards, but since then more than the deflationary measures of the Government, the lower mill production brought down the per capita consumption of cloth to about 9.7 yards in 1950. However, from 1950/51 onwards with production rising sharply, particularly in the mill sector, and exports also not reaching anywhere near the target of one thousand million yards, more cloth was available for internal consumption and thus by 1956, the per capita consumption had risen to about 17 yards.

While the demand for cloth should go up with the gradual rise in the population of the country, cloth prices have gone up appreciably in the post-independence period, particularly in the last two years, due to several factors like the rise in the prices of raw cotton, increases in the wage bill year after year, consistent enhancement in taxes etc. There has been a rise in the prices of all essential necessities of life and thus cost of living has gone up, bringing about consumer resistance at a time when production is rising. There is therefore a substantial accumulation of cloth with mills and in other sectors. With the pumping in of

large amounts on productive enterprises under the Second Plan, the general standard of living and per capita income of the lower and lower middle classes is expected to go up and on that assumption the per capita target of 18.5 yards of cloth has been fixed to be achieved by 1960. Looking to the general economic trend of the country and the possible rise in population, there is force in the argument of the Mill sector that the per capita figure of 18.5 yards needs revision to about 22 yards. In effect the cloth production of 8400 million yards fixed for all the sectors of the Industry will have to be revised to 9800 million yards. Judged by the performance of handlooms so far, and the production in the powerloom sector remaining stagnant around 200 million yards, there is no doubt that the Mill Sector alone will ultimately have to be relied upon to meet the rising demand for cloth, when this materialises. It is not production alone that will promote greater purchases of cloth by the masses, but the prices should be within the reach of the common man. To quote from the speech of Sir John Burn at the Millowners' Association, Bombay, "today excise calculated on the mill price of the variety of representative qualities of cloth varies (according to classification) from 11.5% to 31.9% and averages 24.8%, an average increase of 11.2% over August 1956. In certain categories of superfine cloth, the incidence is as high as 38 to 39%. If the index of cotton manufactures has increased by only 4.3% there is hardly any justification for an increase in excise by an average of 11.2 % over August 1956 and 14.9 % over December 1955." To reduce costs, not only a revision in the structure of excise duties is necessary but latest methods of production and technological research should be adopted. With taste now going more in favour of novelty and shine, greater attention should be bestowed on processing and finishing. With cheaper man-made fibre fabrics making an inroad in the textile field, Mills also should develop the side of weaving cloth out of man-made fibres or with a mixture of such fibres with cotton, to supply fabrics at cheaper prices to the masses. All these should go a long way to push up the per capita consumption of textile apparel in this country.

ALLOCATION OF PROFIT AND SHAREHOLDERS' INTEREST.

Time and again there is a hue and cry of inadequate emoluments to industrial labour. But the fact is that Labour is fully protected by Trade Unions and pampered by the Government. The Government also think that the private sector is making huge profits, and so have now gradually become the major partner, by the levy of gradually increasing imposts, taxes and duties, on the plea of mopping up surplus profits. Managing Agents feel that there is no appreciation of their services and that their emoluments have been cut by the provisions of the Companies Act 1956 coming into force from 1st April 1956. The investors, particularly the middle-class people, who form a large majority of shareholders in any industrial concern, and who originally invested their fund to promote industries, for accelerating production and employment potential, incidentally hoping to derive a reasonably good return on his investment, is seriously perturbed over the outcome of any legislative measures or imposts, as ultimately his share of the profit alone is vulnerable. In this connection the following statement, giving the allocation of profit during the last four years, gives an idea as to how every Rs. 100 of profit has been distributed. In compiling this statement we have taken all the Mills in the South which have earned profits provided taxation and paid dividends.

As at 31st December	1953	1954	1955	1956
	Per cent	Per cent	Per cent	Per cent
Salaries, Wages & Bonus ...	53.5	52.7	52.2	53.0
Other Expenses ...	20.3	14.4	15.5	15.0
Emoluments to Managing Agents	2.8	3.5	3.5	3.4
Depreciation ...	6.4	7.9	8.6	8.4
Taxation ...	6.5	10.1	9.3	9.5
Allocation to Reserves ...	4.2	4.4	3.1	3.4
Dividend and Carry Forward ...	6.3	7.0	7.8	7.3

The statement reveals several interesting features. "Salaries, Wages & Bonus", accounting for well over 50% of the earnings, make it clear that labour has not been denied their fair share, though the increase in the profit made by the Mills year after year was not commensurate with the rise in the cost of production. With the careful husbanding of the concerns, by a cut in borrowings and thus saving in interest charges and economies in manufacturing expenses, "Other Expenses" have shown a marked reduction compared to 1953. "Emoluments to Managing Agents" have not shown much of variation and from 1957 onwards, this will go down, with the restrictions on the managing agency remuneration, under the provision of the Companies Act 1956. The Central Exchequer alone has become the greatest beneficiary, by a rise under the head "Taxation". Prudence of retaining a portion of the earnings for being ploughed back into the business, i.e., "Allocation to Reserves", has received a setback, as a result of increased taxation coupled with the withdrawal of one anna rebate in Income-tax on undistributed profits. The provision for "Depreciation" has been showing a rise in the last three years, on account of the large expansions carried out, as also by the availability of the development rebate. From 1957-58 onwards, with the

demand of compulsory deposit of 50% of the current profits, after allowing for dividend and taxation, but before depreciation and development rebate, coupled with the demand of 25% deposit in respect of past accumulated reserves, not represented by fixed assets, industrial ventures would be forced to borrow even for working capital, in consequence of which, not only the figure under the head "Other Expenses" should go up, but there would practically be no allocation to the Reserves at all. The incidence of the wealth tax and increases in the Income and Corporation taxes should not only pull up the allocation to "Taxation", but should also make a serious inroad into the figures under the item "Dividend and Carry Over". "Dividend" is, therefore, the only item which has become vulnerable to the demands under the other heads, and for which alone there is no safeguard or protection.

There is, therefore, no use in complaining that capital is shy and investors do not come forward with venture capital by investing monies in the shares of new companies, however good the prospects for such units may be. There are several causes for this. Starting with the Liaquat Ali Khan's budget for 1947-48 and ending with Mr. T. T. K.'s budget for 1957-58, the private sector has come to be the butt end of all attacks and gradually increasing levies. Nationalisation of the Reserve Bank, State Bank and the Life Insurance Companies, acquisition of Electric Supply undertakings in Madras State, the Industrial Policy Resolution of 1948, the amendment to the Constitution making the compensation in respect of acquisitions by Government unquestionable even in a Court of Law, the Industrial Policy of 1956 etc., have all completely shaken the morale of the investor. While the cry of even a small labour union draws the attention of the Government and leads to conciliation, arbitration, etc., the investor alone is conveniently forgotten and is not thought of as one who is the backbone of industrial development. In spite of all the disincentives mentioned above, midway in the decade of independence, i. e. from 1952 onwards, there was a gradual return of confidence, mostly by the expansions made by many of the textile units and other industrial ventures, by taking advantage of the development rebate, as a result of which production has been going up. The nationalisation of Life Insurance Companies came as a bolt from the blue to be followed up by the surprise rises in excise levies and the stepping up of the super-tax on dividends, in November 1956. The 1957-58 budget imposing additional levies like wealth tax, expenditure tax, etc., proved to be the last straw on the camel's back, not only to drive away the investor but also to bring about a fall of approximately 40% in the values of his investments, Wealth tax not only on individuals but also on Companies is a double blow in that not only one's investments in shares will be taken as an asset, but the Companies, in which he had invested monies and taken shares, also will have to pay wealth tax on their assets. While Labour and Management are assured of their share of the earnings, and there is machinery to see to it being implemented, and Government also of its slice of bread, it is only the poor investor, whose slice is not an assured one. It is not correct to say that the passing of the Companies' Act 1956, though greatly curtails the hands of the management and also their emoluments, is one to assure the investor that his due share in any venture is protected. There is also no way to voice his grievances, as any Memorandum from the Shareholders' Associations or Stock Exchanges to the Government do not bring about the desired results. If there is to be no definite policy to protect the interests of the investor in the matter of payment of a steady annual return and sufficient safeguards for his capital and savings made out of profits and retained in the business, he is naturally apprehensive and is prone to be tempted to divert his funds, if at all there has been any savings, in less risky investments. The five-year holiday from wealth tax for new ventures is no incentive for a prospective investor. Until and unless the taxation structures get modified and until and unless an industrial code is evolved specifying the extent of the commitments of any new venture on labour account, at least for a period of five years and an assured return for the investor is guaranteed, capital is bound to be shy.

LABOUR

In the pre-war years labour was not properly organised and there was lack of lead on labour welfare. Rising prices in the war years and the deteriorating conditions as a result of the cost of living going up resulted in the Congress formulating a five-year policy for labour. The post-war period brought about greater unity in labour ranks and once organised, their concerted efforts and demands resulted in several legislations being enacted like (1) the Factories Act, (2), Workmen's Compensation Act (3) Indian Trade Union Act, (4) Industrial Relations Act, (5) Industrial Disputes Act (amended in 1956), (6) Maternity Benefit Act, (7) Employees' Provident Fund Act, (8) Employees' State Insurance Act, (9) Subsidised Industrial housing schemes etc. Though the recognition of the rights and privileges of labour had been mostly achieved by reference to tribunals and arbitrations, it should be said to the credit of the management that they are moving with the times and doing everything in their power to ameliorate the conditions of labour.

The post-independence period can, therefore, be marked as a decade of tremendous success on the labour front, though the clamour continues for an everlasting increase in wages and other amenities. To quote from the "Commerce".

> "Even a most superficial survey of the past ten years would reveal that no section of the country's population received so much attention from the Government and so spontaneous recognition of its rights, privileges and requirements as labour, particularly industrial labour. This is in keeping with the Government's declared policy of seeing to it that the workers in factories, in fields and other vocations, who constitute the vast majority of the country's population, enjoy decent earnings and comfortable standards of living and working conditions, so that they would no longer be mere wage earners but 'honoured partners' in the great adventure of nation-building."

Emoluments to labour should also have some relation to the workload which in the case of the Indian Mill Industry, is not so. In terms of workload, the emoluments to a worker in an Indian Mill is not low in comparison with some of the major textile producers in the world. While the emoluments to labour in the South Indian Mill Industry have increased by about six times the pre-war figure, the efficiency of the operatives has not shown any improvement. In Bombay area the annual earnings of a Textile worker is placed around Rs. 1600 (i.e., basic wages, dearness allowance, bonus, etc.), which is far above the average per capita income in India. The increase in basic wages to Mill labour in Coimbatore, effective from 1st October 1956, has increased the monthly wage bill of Mills in Coimbatore area by about 16%. The question of bonus payments every year has been a problem and a matter for arbitration. Bonus for 1956 is still under consideration, with labour demanding as much as eight months' wages, including all allowances, except dearness allowance. While there was some improvement in the average production per worker in 1955, there was a distinct setback in 1956, mostly on account of the go-slow policy of the workers, absenteeism, percentage of man-hours lost in relation to the scheduled hours of work per head etc. In this general trend, the South, particularly Coimbatore and Madura suffered more, compared to the City of Madras or Bombay or any other part of the country.

By and large today the emoluments to the workers in the Textile Mills are the highest compared to those paid to workers in any other organised industry in the South. In spite of this, it is surprising the Government has announced the appointment of a Central Wage Board to evolve the wage structure and determine "fair wages", singling out the Textile Industry alone, of all the Industries. In this connection, the following comments in the Special Article on the "Wage Board for the Textile Industry" published in the "Eastern Economist", dated 31st May 1957, are interesting.

"It is not clear why, of all industries, the cotton mill industry has been selected for purposes of wage investigation. It certainly cannot be argued that the persons employed in this Industry are being inadequately remunerated. In fact, since independence, there has been a considerable advance in their social and economic well-being. The various welfare measures adopted in recent years are designed to give adequate economic security to the worker in the event of unemployment, sickness and disablement and when he becomes old. The achievement of generations in other countries has been telescoped into a few years in India.....................It is difficult to appreciate the propriety of appointing a wage board for cotton textiles. It may be that, sooner or later, similar bodies will be set up for a few more organised industries, but such a course of action cannot obviate the need for a comprehensive examination of the wage question in the entire organised industrial sector at the appropriate time. Such an investigation concerning the living standards and earnings of some twenty-seven lakh persons cannot be completed in haste. Nor can the issue of higher wages be isolated from such considerations as the capacity of the industry to pay and the level of income in the other sectors of the economy......It will not be in the best interests of the country to ignore these considerations or give cause for the feeling that the Government responds only to pressure. THE INDUSTRIAL WORKERS REPRESENT BUT AN INFINITESIMAL FRACTION OF THE COUNTRY'S POPULATION OF 380 MILLION AND YET THEY RECEIVE A DISPROPORTIONATELY BIGGER SHARE OF THE GOVERNMENT'S ATTENTION, WHILE THE PLIGHT OF THE VAST NUMBERS OF AGRICULTURAL LABOURERS HAS REMAINED ALMOST UNCHANGED. Surely, it cannot be the intention of the Government to accord preferential treatment to any one section of the community merely because it is better organised than the other elements of the population. ......The criteria for an upward revision of wages are (1) whether work effort in a given industry is at a level to warrant an increase in the earnings of its workers and (2) whether an

industry can afford to pay increased wages......At any rate, no wage-fixing machinery can possibly determine a fair wage without relating it to a fair load of work. If this is done, as, indeed, it must be, it would be extremely difficult to establish a convincing case for any increase in wages in the near future. The fact that the present work effort in the Indian cotton mill industry is below normal is proved by the comparative figures given below:

Country		Number of Spindles handled by one operative	Number of Looms handled by one operative
United States	...	1500—2100	60 automatic.
Japan	...	1600—2000	30-40 automatic. 14-15 Ordinary
Britain	...	800	6 ordinary.
India	...	380 (average)	2 ordinary (average)

Lastly the assumption that the Industry has been enjoying abounding prosperity and that it can afford to increase the wages of its workers continually is based on a misunderstanding of the real position. Apart from the fact that large profits attract heavy taxes, the worker receives his due share in the shape of bonus and other direct and indirect benefits. In any case, what with the increasing burdens on the industry and the heavy demands upon its resources, the days when windfall profit could be made are over and are not likely to recur...To conclude, there is no enormity in labour's demand for higher emoluments, but it cannot expect to march ahead independently of the country. A far more equitable way would be that it should seek to earn higher wages through greater work effort. For example, labour should co-operate in the standardisation of work loads in the cotton mill industry on the basis of, say, four sides to a spinner and four looms to a weaver, where the equipment is of the conventional type, and agree to a carefully-considered programme of plant modernisation and rehabilitation. By adopting such a helpful attitude it will not only benefit itself but will be making a valuable contribution to the stability and progress of the industry as a whole. The country will also be a beneficiary of the resultng prosperity."

Under the Industrial Disputes Act of 1947, there was provision for peal to the Appellate Tribunal, either by management or by labour, erever they found the decisions of Industrial Tribunals were not to their advantage, or correct. In most of the cases such appeals had come from the management. Labour therefore moved earth and heaven to get this machinery of appeal abolished and this they have achieved by the Industrial Disputes (Amendment and Miscellaneous Provisions) Act of 1956. Under this Act, any appeal now could be only under the constitution to the Supreme Court or to the High Court on questions of law or if it involves major issues.

The decade since independence has been one of rising taxation, both direct and indirect. Events that have happened in the last ten years have proved beyond doubt that the policy of the Government towards industries has been one of changing character. Starting with the Industrial Policy Resolution of 1948, every step taken by the Government has been in the nature of curbing the activities of the Private Sector, although in bringing revenue to the Central Exchequer, the Government has been treating the Private Sector as a milch cow. Interference with normal channels of trade has been frequent by price restrictions and production controls and the State Trading Corporation taking over distribution of manufactured goods in some cases etc.

GOVERNMENT POLICY

Industrial development in every country has made rapid strides generally by the ploughing back of retained profits. India has been no exception to this, as most of the Indian Companies have reached their present sound status only as a result of pursuing such a prudent policy. In such a context, the imposition of regressive taxation measures in 1956-57 and 1957-58 budgets have gone, in a way to cripple the Private Sector. The retention of the development rebate is no answer to the difficulties of joint stock ventures in having to pay a compulsory deposit of 50% of the current profits, after allowing for dividend and taxation, and 25% of the past reserve not represented by fixed assets. The raising of the bonus tax from 12½% to 30% is not only a curb on bonus share distributions, but an attempt to see that the 25% of the past reserves, to be deposited with the Government, is not tampered with. This is nothing but a penalty for efficiency, as those who followed a prudent policy in the past years and made expansions in fixed assets, without recourse to borrowings, and also found working capital, by retaining a portion of the profits, are now being penalised. The amendment in respect of section 23-A Companies reducing the profit that has to be compulsorily distributed, from 60% to 45%, is more than offset by the increase in Income and Corporation taxes, besides the levy of wealth tax Companies.

The staggering feature of the post-independence period is the extent of the levy of excise duties and their consistent increase year after year, and the plight of the middle class man. As has been rightly pointed out by the "Eastern Economist":

> "It is believed that for the lower middle classes, as a whole, the limits of taxation and inflation have been passed. It is suggested that the speed with which the excises have been developed is not in itself the core of the trouble. The middle classes have since 1948-49 suffered much more by the erosion of their incomes by inflation than by the strict incidence of new taxes, though these two have been large. On the other hand, for the lowest income group, it is clear enough that the taxes themselves are excessively burdensome."

The following table, (figures culled from the Special Budget Supplement of the "Eastern Economist" giving the Revenues of the Government of India under excise duties), shows the extent of the rises in the excise duties on essential articles between 1948-49 and 1957-58. The excise duty on cloth which was introduced in 1948-49 has been pushed up so fast that the revenue to the Government under this head has risen from under a crore to about Rs. 72 crores now.

		1948—49 (in crores) Rs.	1957—58 (in crores) Rs.
Cotton Cloth	...	0.87	72.00
Sugar	...	6.47	36.45
Kerosene	...	0.20	3.16
Matches	...	7.31	15.00
Tea	...	3.66	5.97
Coffee	...	0.49	1.85
Vegetable Products	...	1.96	3.50
Motor Spirit	...	1.41	32.06

Apart from the steep rises in excise duties, compared to 1955-56, revenues to the Government from other indirect taxes have also gone up. In the case of excise duty, apart from the swift rises year after year, the basis of calculation was also changed to bring in more revenues. The excise duty which was on an ad-valorem basis in the early post-independence period for cloth, was first changed over to linear yard basis of square yard. The rates of excise duties in force till 13th December 1957, excluding the handloom cess of 2 nP per square yard and sales tax were as under;

COARSE: Upto and including counts 16s:	
(a) Dhoties and Sarees	Rs. 0.03 per sq. yd.
(b) Others	Rs. 0.09 ,,
MEDIUM From 17s to 34s inclusive	* Rs. 0.12 ,,
FINE: From 35s to 47s inclusive	Rs. 0.19 ,,
SUPERFINE: From 48s and above	Rs. 0.25 ,,

To create an incentive for increase in production, the Government of India announced a rebate of Rs. 0.03 per yard in the excise duty on cloth, produced over and above the average production of the first eight months of 1956, this concession extended upto 31-12-57 only and not till 31st March 1958 as announced earlier.

Inter-State sales also come to be charged at ½%. There was no uniformity in the sales-tax by the various States. In Madras apart from the sales-tax of 2%, there was an additional sales-tax of 8 nP on all mill cloth over 16 counts.

In order to bring about uniformity and also to avoid unnecessary labour to trade, industry and the Government, the Finance Minister introduced in the Lok Sabha on 13th December 1957 a bill for the replacement of sales-tax now levied by the States by additional excise duties as under.

Coarse Cloth	3 nP per sq. yard.
Medium	4 nP ,,
Fine	8 nP ,,
Superfine	13 nP ,,

The reason given by the Government for the increase in excise duties was to bring down cloth prices and to mop up the extra profits earned by the Industry, as a result of higher cloth prices. This is not borne by facts. In 1956, earnings of composite mills in general have not gone up to such an extent as to warrant such drastic imposts and in fact profits in the case of some of the well-established units have been lower than that of 1955. The cumulative effect of all the measures was the increase in the cost of living, as a result of which demands for higher wages have sprung up from all directions. A highly vicious spiral has thus been created in the Textile Industry. With spot cotton piercing the ceiling, the cost of production has been further aggravated. The purchasing power of the masses has been crippled year after year resulting in consumer resistance and large-scale accumulation of cloth with Mills. Even

* The Finance Minister also announced a reduction, as a temporary measure, in excise duty on medium cotton fabrics from As. 2 to As. 1½ with immediate effect, this reduction to be in force till 31st March 1958 only.

the revised order that the Mills could now hold three months' stocks against six weeks' stocks till recently permitted, is not going to solve the problem.

In the background of all these disincentives the Textile Industry has shown a remarkable performance in the post-independence period, recording a peak production in 1956, with 1957 holding out prospects of even the 1956 record being beaten. The population of the country is rising. With a large investment in the Second Plan period on productive enterprises, and the gradully increasing standard of living aimed at, demand for cloth is bound to rise in the coming years. Price factor coupled with quality, finish etc., have already come to play their part in determining the quantum of consumption. Statistical analysis of production in the various sectors of the Industry have proved that the rise in the production of handlooms, in spite of all the subsidies, assistance, reservation of certain types of varieties etc., has not been significant, being in the order of only about 341 million yards compared to 1953, while production in the powerloom sector has remained stagnant around 200 million yards.

From the angle of the investor, he is chary of going in for any new venture. Not only this, the incidence of higher levies, both indirect, and direct, have resulted in practically no savings at his hands to invest. The incidence of the wealth tax on companies, and the stepping up of the super-tax on dividends, not to speak of the mounting costs of production, are bound to make a serious inroad into his share of the profit. Secondly, there is also no provision for refund of a portion of the dividend tax, as it is called super-tax. The liquid position of the Companies has become tight as a result of the incidence of high taxation, ever increasing labour demands, and mounting costs as a result of which many find it difficult to find working capital to cover raw materials like cotton atleast for a normal period.

A peculiar situation is arising in the case of some of the companies, as a result of the compulsory deposit of 50% of current profits. In the case of most of the post-war units, on the capital market not being favourable, mostly the share capital had been found by the promoters and their friends, and there had been large borrowings to meet the cost of the machinery, buildings and working capital. Thus, the share capital had been low and borrowings large. Naturally the cash position of such companies has always been tight. The working results of such companies reveal an excess of liabilities over liquid assets. In such cases all the profit shown is not in the form of cash and the surplus credit, as a result of provision for depreciation, should go to reduce the borrowings. To demand a compulsory deposit of current profits in such cases is putting such units to borrow further to make the payment. At a time when Banks are restricting advances, they also find it difficult to borrow even for normal working. Therefore, some relaxation in the compulsory deposit scheme to provide working capital should go a long way to alleviate the distress of such units, whether industrial or otherwise.

1956 was a most prosperous year for the Cotton Mill Industry, which contributed its quota to the industrial prosperity of the country. Broadly speaking, Spinning Units fared better than Composite units.

PROSPECTS

1956 could have proved a record year for the Industry in every respect, but for the regressive levies of the Government, particularly the steep rises in excise duties towards the close of the year. Trading conditions in yarn also saw a shrinkage both in volume of trade and prices in the last quarter of the year fell down precipitously. The introduction of wealth tax and the compulsory deposit scheme put the management in dilemma, as to whether they should adopt the usual conservative policy in paying dividends, ploughing back a portion of the profit into the business, which would mean finding money for the compulsory deposit, or to pay the higher taxes and distibute dividends to the shareholders to the maximum extent possible. Fears of difficulties in getting back the deposits from the Government in times of need, led to a policy of generous dividend payments, on a feeling that if the shareholders were kept satisfied, they could be tapped in times of need. Thus, some units stepped up the dividends while many others maintained the previous year's distribution.

1957, however, started on a note of pessimism. Tight money conditions coupled with restrictions on credit, curtailed the movement of yarn and cloth, and stocks with mills and dealers were increasing. Offtake of yarn did not keep pace with the rise in production and sales of yarn by dealers to weavers in many places have come to be concluded on the basis of credit, extending in some cases up to two/three months. While cloth prices were steady, yarn prices fell gradually. With the rise in the price of cotton, the margin to mills has been affected seriously. Therefore, current indications are that good class units may be able to return a profit of only 40% of that earned in 1956, while most others may return even less. It should not be a surprise if some units even return a loss.

Against all this, the only gratifying feature just now is the substantial expansions made by most of the units in recent years and the

further expansion programmes many have on hand. The general financial position of many of the units is sound. While the immediate outlook appears clouded, taking a broad view, the Mill Industry is bound to enjoy a predominant place in the industrial set-up and with the demand for cloth rising, the industry has a vital role to play. No doubt, with the increasing burdens on the industry and additional demands on its resources by the compulsory deposit scheme, the Industry also will have to adjust itself to the changing conditions and be prepared for lower margins. For some time to come, the investor also will have to face the brunt of severe taxation measures and thus lower yields. Stockmarket-wise, naturally prices are bound to get adjusted depending on various factors and suitable opportunities should be snatched to pick up growth equities.

In the foregoing a brief survey about the history, progress, production, export, labour, government policy and prospects for the Industry has been given. In conclusion, the point to be stressed is the necessity

CONCLUSION

to make available to the masses quality goods at cheaper prices. Today prices of certain popular varieties are well above eight times the pre-war level. World market-wise also, the competitive position of Indian cloth has come to be challenged by the rise in Indian cotton prices, not to speak of the quality goods offered by the competitors manufactured adopting latest techniques with up-to-date machinery. Though the study of markets made by the Cotton Export Promotion Council and the steps taken by them should help in hearing complaints first-hand and finding a solution to avoid room for complaints, the question of quality and price could be solved only by erection of latest types of machinery and technological research. Earning foreign exchange to the tune of about Rs. 65 crores, the Industry deserves a sympathetic treatment and encouragement in automatisation, to facilitate promotion of exports.

In recent years it has been found that finance for expansions has come mostly by borrowings from the Industrial Finance Corporation and Industrial Credit and Investment Corporation, though the latter had also taken shares in some of the ventures. The National Industrial Development Corporation also has been lending for renovations and modernisation. The State Finance Corporations have been helping industries with funds for expansions. The demand on these institutions has been so great that for the last few months a large number of applications seem to have been kept pending, due to lack of funds at the hands of these Corporations. In consequence of this, many of the Mills who had got licences for the installation of automatic, looms, under the recent allotment, for produceing goods for export, have not been able to go ahead with their programme. The support given by the Life Insurance Corporation in absorbing equities and trying to create confidence in the capital market, is yet to have effect, as lack of savings is the main reason for the poor or no response for new issues. Therefore, the insistence of the Industrial Finance Corporation, at the time of sanctioning loans, that share capital should be pulled up, before the applicant could draw the entire loan or a portion of it, is causing undue hardship to units of recent origin and erected in the latter half of the post-independence period. These units had gone to these Corporations for finance, only when they could not get response from the public for share capital, and driving them back to the public is not correct. Now that the Insurance Companies have been nationalised, the Life Insurance Corporation also should take an interest in lending to industrial ventures against fixed assets, as this should prove an additional source of finance for industrial development.

In the post-independence period, particularly after the investors had burnt their fingers in many of the war-time floatations and the bitter experience gained, ideas of investors have changed and the demand has been more for tested scrips giving immediate yield with prospects, than for entertaining any new issues. If the investor, particularly the middle classes, who form the majority of shareholders in any industrial venture, is to be attracted towards new companies, a lot has to be done to restore confidence. The five-year holiday from wealth tax alone is no incentive. For computation of the super-tax on a graded scale on dividend, the scheme should be revised to allow a six per cent return on the capital employed, in the same way as was prevalent at the time of dividend control in 1948, and the tax should be on a graded scale on the surplus amount distributed as dividend, over and above this six per cent. The flat calculation on percentage basis on the dividend on on Paid-up Capital should be removed. Since Companies also are called upon to pay wealth tax, rebate in wealth tax should be allowed to individuals in respect of shares held by individuals in such ventures. Finally the investor should be made to feel that his interests are also well protected in the same way as that of others.

Industrial peace has become a dream in the post-war years. With frequent commotion of labour for ever-lasting demands, indiscipline has also grown side by side. Indiscipline in any sector is a curse and ultimately results in loss to the nation. Existence of rival unions in one area, pertaining to one Industry, has created several hardships and has led to, many a time, settlement by negotiations between management and

labour, difficult. The power of the management also to deal effectively with cases of indiscipline has been curbed. Therefore, even where there is a go-slow policy or sit-down strike, the management has to face the loss of production and higher costs on labour account, due to the loss of man-hours. When the country is engaged in the uphill task of fulfilling the Second Plan, it is imperative that the Government should, instead of appointing wage boards or other bodies, take steps on the direction of 'industrial peace' by effectively banning strikes or go-slow policy, say for a period of five years, fixing the basic wages and other allowances at current levels, and the bonus payment to be at the average level for the last five years. Labour in the Textile Industry has been getting more than adequate reward for its efforts compared to the operatives in other organised industries. The management knows that the goodwill of the labour force is an asset and it is good to cherish it, but experience in recent years has shown that the lead given to labour by the Trade Union leaders has not been conducive to the growth of Industries. It is for this reason, one labour union for one industry in one area and a code for industrial peace for, say, five years is bound to solve the problem.

That in spite of a virtual ceiling on mill production and all encouragement to handlooms, amber charka etc., mill production of cloth and yarn is rising only shows that whatever be the reliance placed on cottage industries, mechanised production is bound to have the upper hand in the growing economy of a country. Thus, in spite of the accumulation of stocks, the mill sector is going ahead with the pace of production in the hope of a rise in consumption internally. With the paltry remuneration obtained by the handloom weavers, in due course, there is bound to be a shift in labour from handlooms to organised sectors. The scheme of gradual conversion of handlooms to power looms also means indirectly giving a go-by to the reliance on production by cottage industries. In an era of mechanised production, with quality and price factor in view, once rationalised and modernised, the Indian Industry should be able to compete successfully in world markets, particularly with the price advantage of Indian cotton. India also offers a vast domestic market for this second basic need, i.e., cloth and on this score there is good scope for the Mill sector with an assured future. However, the Industry and the Investor will have to adjust themselves to increased tax burdens and be content with lesser returns until the cloud of mounting taxation gets cleared in the horizon of an assured bright outlook for the Industry.

Handloom

The Handloom Industry of India has been in existence from time immemorial not only catering to the internal needs but also exporting the surplus to the Middle East countries. The prosperity of this valuable Industry was shattered by the opening up of the Suez Canal, domination of Indian markets by Lancashire interests and the unhelpful attitude of the then alien administration in India. The fillip given by the Swadeshi movement in the early part of the century enabled the Industry to just keep going, but the plight continued until the outbreak of the Second World War. With a major portion of the mill production taken up in the war years for defence purposes leaving little for civilian consumption, handlooms had the field clear to cater to the increased domestic demands. But the handicap of restricted supply of mill yarn curtailed production with the result that prices of handloom cloth also shot up. In the early post-war years there was a hue and cry for help to alleviate the distress of the Handloom weavers. Thus, the post-independence period saw a series of measures to rehabilitate this age-old Industry. Levy of stiff excise duties besides cess of two Naye paise per yard on mill cloth to subsidise handlooms and khadi and the levy of an additional sales tax by Madras Government of eight Naye paise in the Rupee on mill cloth over 16 counts of yarn made mill cloth costlier. In addition certain varieties of production of cloth were reserved exclusively for handlooms, while a curb was introduced on Mill production of dhoties and sarees. All these, no doubt, went a long way to ameliorate the conditions of the men and women engaged in the Handloom Industry. The various Handloom Weavers' Co-operative Societies and the All-India Handloom Board, gave very good assistance on the side of marketing the handloom products.

The main drawback about this Industry is the absence of correct statistics. One has to go on the 1953 census figures and assess the total number of Handlooms in India, as also the number of persons employed in the Industry. According to the Kanungo Committee's Report, there were about 2.19 million handlooms in India and it was admitted by the Committee itself, that it was not possible to assess the total number of persons actually working in the Industry and on broad estimates it was placed that there were about 1.2 million handlooms in working, employing about fifteen lakhs of workers in cotton yarn weaving, expressed in terms of whole-time working for 200 days in a year.

The Handloom Industry witnessed a substantial development in the South, particularly in the old composite State of Madras, accounting for about 35% of the installed capacity in Indian Union. Even at that time it was estimated that out of about 8½ lakhs of handlooms in the composite State of Madras, only about 4½ to 5 lakhs of handlooms were in actual working. In spite of the separation of Andhra and later on parts of Madras State going to Mysore and Andhra and the whole of Malabar District to Kerala under the States Reorganisation Scheme, the Madras State still leads in handlooms in the Southern Region. A better way of assessing the progress made in the various States is now available from the actual number of handlooms registered as per recent order of the Government of India insisting on the registration of handlooms. The statement below not only gives the number of handlooms that were in existence before the States Reorganisation Scheme on 1st November 1956 and the number of handlooms at present but also the actual number of handlooms registered under the Government order in the various States.

States	** Number of Handlooms before 1-11-1956.	Number of Handlooms at present.	Handlooms registered.
1. Madras	5,59,883	5,14,546	4,32,603
2. Andhra	272,019	4,15,635	2,048
Hyderabad	1,84,205		
3. Mysore	49,328	1,55,434	22,087
4. Kerala	80,157	1,20,335	42,360
5. Pondicherry	1,305	8,000	602

** Based on 1953 census figures.

Production of handloom cloth in 1938–39 ranged around 1700 million yards and this fell to below a thousand million yards in the immediate post-war years. In 1951 the production was about 1000 million yards, and from then onwards there was a change for the better. With the removal of controls in 1953, coupled with the consistent rise in yarn production and the availability of more than adequate supply of yarn to the handloom sector, there was a gradual rise in production to 1200.02 million yards in 1953 itself, 1318.21 million yards in 1954, 1472.96 million yards in 1955 and 1540.90 million yards in 1956.

Export of handloom cloth during the last few years has ranged between 50 and 60 million yards. The frequent survey of markets, display of goods at Emporias in various countries, rebate of one anna allowed on emport of handloom cloth through Co-operative

Societies and State Trading Corporation, free licensing of handloom cloth for export, exploration of fresh markets, on the spot study of Marketing Officers stationed by the Madras Handloom Weavers' Co-operative Society at Colombo, Baghdad, Rangoon, Singapore etc., have all gone a long way to stabilise exports of handloom cloth, particularly in a shrinking world trade of cotton textile fabrics. The following table gives the figures of export and the value of such exports for handloom cloth.

Calendar Year	Value in crores	In Million yards
1950	6.57	41.2
1951	10.38	43.6
1952	9.23	53.8
1953	14.70	62.4
1954	8.20	56.1
1955	7.76	55.8
1956	8.66	77.6

The main handicap in the case of handlooms is that since they are scattered mostly in rural areas, spread over the entire country, standardisation of production and scientific marketing are lacking. Secondly, the Industry seems to be not moving with the times and changing the pattern of production to cater to the varieties that are in demand. In a changing world trade and fashion also going more in favour of shine and novelty, considerable research should be made on the side of processing, finishing and also producing cheap fabrics with a mixture of man-made fibres. Quality and price considerations are factors that should go to improve consumption and not restrictions on production in other sectors or making fabrics produced in other sectors costlier by the levy of heavy duties.

While the Mill sector has shown rapid advance in beating the First Plan targets well in advance and is on the verge of beating the Second Plan period figures also, there are grave doubts of Handlooms coming anywhere near the target of 2400 million yards from mill-made yarn for 1960/61, judged by the performance of the Industry so far. The First Plan target of 1700 million yards for handlooms (by 1955–56) is yet to be touched, as 1956 production itself was only about 1541 million yards. As Mr. Morarji Desai has rightly pointed out,

(Reproduced from "Commerce" 3rd Aug., 1957)

"It will be primarily in the interest of the handloom industry itself to show, by actual performance, that it is capable of producing the additional quota allotted to it. It is not enough if spokesmen of the handloom industry repeatedly declare that it can produce as much as 3000 or 4000 million yards of cloth they have to show it in actual practice. Adequate supplies of yarn would be made available to the handloom industry and I would like you to do everything possible to increase the production of handloom cloth. I need hardly mention that, if the yarn produced by mills for handlooms is not lifted by the handloom industry, pressure will be brought on Government for increasing mill production of cloth and permitting export of yarn ".

There could be no complaint now of non-availability of yarn. Not only Mill production of yarn has gone up by over 20% compared to 1956, but prices of yarn also have gone down appreciably in recent months. Despite the fall in the price of yarn—the main raw product—handlooms are still as costly as in 1955. At a time when Mill cloth prices are ruling high due to factors like heavy duties and high costs, handlooms should produce quality goods and offer them at competitive prices to the consuming public. No doubt the general off-take now all round is poor due to the stringent money conditions and rising costs of living and this accounts for the large accumulation of stocks in the handloom field also. On the export front, there has been a decline since the end of 1953. The main reason that could be attributed to the fall in exports is the development of handloom weaving in the traditionally importing countries like Ceylon, Burma, Indonesia, Malaya, Aden and Africa and the consequent restrictions on imports to give protection to their indigenous products. In such a context, the restriction on mill production of varieties like dhoties, lunghis etc., in no way could help the country. If mills are allowed to produce such varieties like lunghis, dhoties etc., mainly for export, exports of Indian merchandise could be maintained and improved upon by the mill products going to those markets where there is demand for such varieties. By such a method Handlooms will not be affected.

There is already one Finishing Plant in U.P. and a Calendering Plant in the South, in Erode. Efforts should be taken to erect finishing and processing plants for the handloom sector. With handloom production not keeping pace with the rise in the mill production of yarn, naturally greater exports of yarn has to be allowed, as was done recently by the Government. In a way, exports of yarn also is good, as India will be enjoying the goodwill of the importing countries by the supply of raw material to help handloom weaving, which should provide employment in the importing countries. From the angle of the consumer, there is no particular preference to handlooms or mill goods but only varieties to suit the consumer's pocket. If handlooms are to capture the market, then attention should be bestowed on manufacturing quality goods at lesser costs, and giving better finish to the products manufactured.

Financial assistance to this Industry of skill has not been lacking but has been on an increasing scale year after year. Out of the cess fund allocations the following were the Loans and Grants sanctioned by the Government to the various States between September 1953 and March 1957.

		(Rs. In lakhs)
Madras	...	522.96
Andhra	...	207.71
Hyderabad	...	113.79
Mysore	...	54.56
Kerala	...	68.13
Orissa	...	53.98
Pondicherry	...	4.97
U. P.	...	163.29
West Bengal	...	76.68
Bombay	...	169.35
Bihar	...	94.78

The Reserve Bank of India also has agreed to provide the required working capital at a nominal rate of interest, with the Government subsidising the rate of interest and also agreeing to bear any loss in the non-recovery of the loan. The Kanungo Committee's recommendation of gradual conversion of handlooms by powerlooms has been accepted by the Government, to save physical labour to the handloom weavers and also step up production. Actually powerlooms working as a cottage industry has been proving a serious handicap to the handloom sector. Since May 1956, the Government have issued an order compelling registration of handlooms. Probably, this is for the sake of getting better statistics, to effect the gradual conversion of handlooms into powerlooms, by the introduction of 35,000 powerlooms in the handloom sector. This, in effect, will mean giving a go by to the out-moded methods of production, and moving with the times, concentrating on mechanised ways to ensure quality and reduce costs. But this should inevitably lead to disemployment in the handloom sector. The monthly emoluments of a handloom worker is not even half of that secured by an ordinary worker in an organised Industry like the Mills Industry. While the older generation still sticks on to this more or less hereditary profession, the younger generation is prone to seek employment in other spheres. If the recent trend of handloom workers seeking employment in industrial ventures is an indication, then all that is done to rehabilitate the handloom industry may not bring in the desired results.

The Madras State Handloom Weavers' Co-operative Society has acquired the Murugan Mills of Tirunelveli and are erecting 16,000 spindles. Another spinning unit at Srivilliputtur with a capacity of 16,000 spindles has been proposed. These Mills are going to come into production at a time when supply of yarn from the Mills, outside the Co-operative fold, has gone up and prices of yarn also, have gone down appreciably. Most of the varieties of yarn are now near about the prices that prevailed during the control period, particularly standard counts like 40s, 60s etc. As the yarn produced by these Co-operative Mills will have to be taken by the weavers in the handloom fold, rather compulsorily, and as the prices of such yarn are bound to be higher than those for similar varieties in the market, this should affect the price of the end-product. As Mills and Handlooms are complementary to each other, it may prove advantageous to try an experiment of linking a section of handloom weavers in a selected area to a Spinning Mill in that locality on the basis of the Mill supplying yarn to the weavers, pay the wages and take back the cloth for being marketed. In such a way, the handloom weavers will be assured of full-time employment, with chances of better emoluments, apart from being relieved of the responsibility of finding finance for yarn purchases and also marketing.

MAN-MADE FIBRES

Man-Made Fibres

The discovery of the synthetic fibres, as a substitute for the luxury fibre silk dates back to 1842, but real development in the world on a commercial scale was only from the beginning of the twentieth century. The great demand for cotton, silk and wool in the first war period stimulated a good demand for " Rayon " and artificial silk, and it was then " Staple Fibre " made its appearance in quantities. " Rayon " is produced as a continuous filament and also as cut yarn. Rayon has two processes, viscose and acetate. The cut yarn is uniform in length, between two inches and six inches and this is called " staple fibre " and when this is finished into yarn, it is called spun yarn, with a softly wool feel.

RAYON

The last fifty years has been notable for the substantial progress made by synthetic fibre fabrics in the field of textile apparel of the world. During 1956, according to the "Textile Organon", the world output of fibres totalled 26,677 million lbs., against 13,440 million lbs. in 1946. Though quantity-wise, the increase was shared by all, like Cotton, Rayon, Staple-two, Wool and Silk, in terms of percentage to the total output of fibres in the world, man-made fibres has shown a marked rise from the figure of 12% in 1946 to 22% in 1956, while the share of cotton shows a distinct fall at 67% in 1956, compared to 72% in 1946 and 74% in 1948 and 1949. The share of wool is lower from 16% to 11%. The following statement shows the extent of the rise in production in man-made fibres with the relevant percentage in world production.

(*Source* : "TEXTILE ORGANON")

YEAR	MAN-MADE FIBRES		COTTON		WOOL		SILK		TOTAL	
	lbs.	%	lbs.	%	lbs.	%	lbs.	%	lbs.	%
1946	1,681	12	9,633	72	2,088	16	38	—	13,440	100
1947	1,983	13	11,114	73	2,100	14	41	—	15,238	100
1948	2,440	14	13,053	74	2,162	12	44	—	17,700	100
1949	2,694	14	14,312	74	2,223	12	47	—	19,276	100
1950	3,634	19	12,839	68	2,330	13	42	—	18,845	100
1951	4,197	18	16,446	72	2,357	10	47	—	23,047	100
1952	3,805	17	16,521	72	2,553	11	55		22,934	100
1953	4,487	18	17,992	72	2,568	10	54	—	25,101	100
1954	4,923	20	17,819	70	2,619	10	56	—	25,417	100
1955	5,611	21	18,184	69	2,745	10	60	—	26,600	100
1956	5,929	22	17,838	67	2,487	11	63	—	26,677	100

Note :—Man-made fibre data for 1946-49 cover acetate rayon only. Man-made fibre and silk data on calendar year basis, while that for cotton as at 31st July and that of silk as at 30th September.

Out of the production of man-made fibres in the world, filament yarn totalled 2,233 million yards and rayon and acetate staple tow 3012 million yards and non-cellulosic fibres 684 million yards against 2076 millions, 2060 millions and 351 million lbs. respectively in 1953. Countrywise U.S.A., is still the major producer, accounting for 749.6 million lbs. of filament yarn and 398.3 million lbs. of staple tow, though in recent years Japan has made rapid strides in the field of synthetic fibre fabrics also. Production of man-made fibres totalled about 920 million lbs., a record post-war high for Japan, while exports also were placed around a high of 440 million yards. A comparison of the figures below will show India's position in the world, amongt the major producer.

(*Source*: "TEXTILE ORGANON")

	Filament Yarn		Staple + tow	
	1955	1956	1955	1956
U.S.A.	865.1	749.6	395.6	398.3
South American Countries	105.1	107.0	25.9	32.3
United Kingdom	203.0	193.0	231.2	235.6
West Germany	150.5	150.8	346.2	378.2
Italy	141.6	144.9	147.7	181.0
Spain	30.9	32.6	71.5	76.0
Sweden	12.5	14.1	27.5	35.0
Switzerland	27.8	28.5	20.4	21.1
Japan	195.4	227.4	536.7	689.9
India	15.1	20.0	12.8	17.4

The Rayon Industry in India is of recent origin and in the decade of its existence, it has made rapid strides. The potential demand in India is placed at about 65 million lbs., against which the present productive capacity of all the units in India is placed at about 26 million lbs. With the contemplated expansions in the units in India, the productive capacity is expected to go up to 30 million lbs. in 1957. Production for the first seven months of 1957 are placed at about 13.4 million lbs. against a shade under 11 million lbs. for the same period in 1956.

Against about a thousand powerlooms engaged in weaving imported yarn about two decades ago, it is now estimated that about 1½ lakhs of handlooms and well over 30,000 powerlooms are engaged in weaving rayon fabrics. The largest number of powerlooms specialising in weaving rayon fabrics is in Bombay, followed up by Mysore, U.P., Bihar, Hyderabad, Madhya Pradesh and Madras. Besides, about 1,50,000 handlooms are reported to be engaged in weaving art silk fabrics.

Imports of rayon yarn in 1956 was about 42 million lbs. against 46.0 million lbs. in 1955 and 19.4 million lbs. in 1952. The programme

for development under the Second Five Year Plan envisages a production target of 68.3 million lbs. of rayon to be achieved by 1960-61, not only by expansions in the existing units, but also by new units. With a rise in the production of yarn, there is a jump in the production of rayon loth also. Indigenous production of rayon fabrics has gone up steadily from about 181.2 million yards in 1954 to about 243 2 million yards in 1955 and to about 251.86 million yards in 1956. The Second Plan target for rayon piecegoods is 350 million yards. The quantity of rayon fabrics shipped during the calendar year 1956 aggregated to about 3.25 million yards against about 3.03 million yards in the previous year, representing a rise of 7 per cent. Bulk of the exports of rayon fabrics has been to countries like Ceylon, Aden, Malaya, etc. There is an assured market for rayon fabrics both internally and abroad, but quality and price alone will go to improve not only offtake internally but also make Indian goods compete successfully in export markets.

Although a recent innovation, Stable Fibre has come to occupy an important place in the field of textile fibres of the world. World production of staple fibre is placed at about one-fifth of the cotton output and the main sources of supply are U.S.A., Italy, Scandinavian Countries, U.K., Japan etc. On account of its low cost nature, apart from shine and novelty, though backward in staying quality, synthetic fibre fabrics has shown a rapid advance in advanced countries like U.S.A., U.K., etc. In recent years Japan has made rapid strides in this field and the consistent rise in Japanese exports of textile fabrics is attributed to supply of cheap man-made fibre fabrics in the export markets.

STAPLE FIBRE

In India, use of staple fibre, as a substitute for cotton, was tried as an experiment in 1951, when the Mill Industry was facing an acute shortage of supply of the raw materials, cotton. The introduction of staple fibre yarn caught the fancy of the Indian Markets quickly all over the country, and the Mill Industry found this a remunerative line in the early period. The Government, however, restricted the number of spindles that could be employed in staple fibre spinning to 10% of the installed capacity or 5000 spindles, whichever was higher, though from January 1956, this has been increased to 15% of the installed capacity or 10,000 spindles, whichever is higher. This was in order to see that the production of cotton yarn is not curtailed. Recently the Textile Commissioner, under the powers vested to him, was also allotting spindles purely for staple fibre spinning, though now such allotment of spindles for staple fibre spinning also has been brought under the purview of the Industries Development and Regulations Act, to be licensed by the commerce Ministry in the same way as for allotment of spindles for cotton spinning.

In the First Five Year-Plan great stress was laid on the development of staple fibre, aiming at a target of production of 14.2 million lbs. by 1956. With the demand for this fibre rising, the Second Plan aims at a target of 32 million lbs. to be achieved by 1960-61. There is an abundant supply of raw materials in India for the manufacture of this fibre. There is only one combine in India, the Gwalior Rayons, which has made a start in this field. Another unit has just been registered in the Madras State, called the South India Viscope Ltd., for the manufacture of ten tons of staple fibre and ten tons of rayon, a day, the factory to be located at Mettupalayam, near Coimbatore.

Consumption of Staple Fibre by Cotton Mills alone is estimated at about 80 million lbs. per annum, for the supply of yarn to the handloom weavers and the decentralised powerlooms engaged in art-silk weaving. Apart from this, pure weaving mills require the fine counts of stape fibre yarn which are now imported from abroad. Thus the overall requirements was placed by the Planning Commission at about 100 million lbs. There is, therefore, a steep gap between production and the potential demand.

The following statement illustrates the production of staple fibre yarn and cloth in the Indian Union, and also in South India,

(*Source*: TEXTILE COMMISSIONER, BOMBAY)

	Year	Yarn output	Cloth output
INDIAN UNION.	1952	1,98,80,782	1,60,31,069
	1953	1,98,44,141	80,98,406
	1954	2,91,17,763	62,60,786
	1955	2,79,90,822	57,03,869
	1956	4,39,56,988	67,82,338
SOUTH INDIA: Excluding Pondicherry	1952	75,34,830	41,51,056
	1953	64,79,909	27,42,032
	1954	1,03,46,252	3,30,096
	1955	1,04,65,937	5,66,756
	1956	1,44,22,152	8,30,603

The field of production of staple fibre cloth or with a mixture of art silk or cotton is predominantly exploited by handlooms and decentralised powerlooms, as could be seen from the fact that while the yarn production has more than doubled itself between 1952 and 1956, production of cloth by composite mills has gone down substantially in the same period. Taking 1956, while yarn production was 43.95 million lbs., allowing for the yarn taken up for weaving by Mills, yarn delivered by mills for consumption by handlooms and decentralised power looms was 37.20 million lbs. Since most of the units in South India are purely spinning mills, naturally, cloth production by mills was only a shade under 13% of that of the Indian Union, while in yarn production the percentage was over 33% in 1956. The delivery of yarn for outside consumption was as much as 12.88 million lbs. in 1956 against a production of 14.42 million lbs.

In the first eight months of 1957, the pace of production has been fully maintained. In the All India production of 21.87 million lbs. of yarn and 3.26 million yards of cloth, the share of the Madras State alone has been 7.25 million lbs. of yarn and 0.47 million yards of cloth. In the free delivery yarn also, the delivery from Madras State was 7.13 million lbs. against the Indian Union figure of 20.37 million lbs.

There is an import duty of 25% on staple fibre as also an additional duty of two annas per lb. The levy on indigenous staple fibre also is now two annas per lb. Fabrics made wholly from staple fibre are not treated as cotton cloth or as rayon or artificial silk fabrics and do not, therefore, suffer a further excise duty, but cloth with a mixture of staple fibre and rayon or art silk or cotton is subject to exise duty at 60%, if there is a mixture of 60% art silk. Composite Mills producing cloth with a mixture of these fibres have to pay excise duty on the same basis as cotton cloth, if the mixture of art silk is not below 60%. The excise duty on art silk or rayon fabrics is levied on a monthly basis per loom at Rs. 22/9 for the first shift, Rs. 15 for the second shift and Rs. 11/4 for the third shift.

Judged by the production and consumption abroad, it is clear that newer and newer varieties are now manufactured in the advanced countries with a mixture of staple fibre and rayon or art silk or cotton. Many of the imported cloth made out of staple fibre or with a mixture of staple fibre have not only a pleasing look but also have the finish of silk or woollen fabrics. India has to make a considerable headway in the research on processing and finishing, to facilitate production of improved varieties. Art silk and rayon fabrics, apart from having a good internal market, offer good export possibilities, if India could produce quality goods at cheaper cost to face competition in the markets abroad, where the needs are already being catered to by Japan or U.K. or other countries.

The Silk Industry of the world is well over four thousand years old. Starting from China, it has spread to the other parts of the world. In

SILK

India silk reeling and weaving has been a lucrative cottage industry, in the rural areas, for several centuries, providing employment to a large number of workers all over the country. The chief centres in India now are Jammu and Kashmir and Punjab (I), in the North, Assam in the East and Mysore and Madras in the South and to a lesser extent U.P., Bihar and Orissa.

In an otherwise generally shrinking world market for textile apparel, and the keen competition from synthetic fibre fabrics, silk has been the only fabric to go ahead steadily since the war. In the war years, with silk in great demand for defence purposes, the civilian needs were kept completely shut. In the post-war period, naturally the silk industry had to search for and create markets.

The research carried out in the major producing countries in the world has led to Japan making considerable headway in the field of silk also, accounting for about 50% of the world's production of about 40 million lbs., with China coming next. Indian Silk Industry, though in existence for several centuries now, has not yet attained any appreciable degree of efficiency as opposed to Japan, which has erected modern automatic reeling and has been adopting other scientific methods of manufacture at reduced cost. Indian reeling is still mostly done by charkas manipulated by hand. This technical backwardness has made Indian silk inferior in quality and costlier in price, thus exposing it to face keen competition from Japanese goods The existence of the industry in the last two decades has been mostly on tariff protection. Efforts of the Government in the post-war years to rehabilitate the Industry has gone to stabilise the position somewhat. The formation of the Central Silk Board and the study of the Silk and Rayon Textiles Export Promotion Council are only a start. Steps should be taken to establish modern silk reeling factories and also adopt scientific and latest methods of production to reduce costs. Incentives like a subsidy, rebate on sales etc., should also go to alleviate the distress of the handloom weavers, which are large in number, in this industry of skill. The basic need is to bring down prices of silk fabrics to be within the reach of the common man and also to be attractive in export markets, as apart from quality price is the factor that would determine greater offtake internally and abroad. There is also a good market for silk products in Malaya, Hongkong, Ceylon etc.

21st December, 1957. DALAL CO.

ANALYSIS OF WORKING

THE ALAGAPPA TEXTILES (COCHIN) LTD.

(REGD. IN 1943)

			Rs.	Rs.
Registered Office	...	Alagappanagar (Kerala.)		
Managing Agents	...	Messrs Ramal & Co., Ltd.		
Capital: Equity	...	1,50,000 Shares of Rs. 10 each	...15,00,000	
Preference	...	10,000 (7½% C.T.F.) Shares of Rs. 100 each	10,00,000	
				25,00,0(
Debentures	...	Outstanding (as at 31st December, 1956)	...15,00,000	
		Loan from T. C. Government	... 3,49,888	
				18,49,88
Reserve Funds		Debenture Sinking Fund		4,50,00(

Bonus Issue ... In 1947, Rs. 5,00,000 was capitalised out of Reserves and distributed in the proportion of one share free for every twc shares held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in September.

Dividends ...

1949	... Nil.	1953	... Nil.
1950	... 9%	1954	... Nil.
1951	... 6%	1955	... Nil.
1952	... Nil.	1956	... Nil.

Present Equipment ... Number of Spindles **50,000**

Products Manufactured.. Cotton and Staple Fibre Yarn of 20s to 60s and Double Yarn 2/60s. Also Staple Fibre Yarn of 20s, 40s, 2/40s and 2/60s.

Additions and Proposed Expansions Are installing new machinery to the tune of Rs. 36,00,000. Have applied for a loan.

Note: ... The Mills have a Power Generator to supplement 60% of their power requirements when put to working.

			Rs.	nP.
Capitalisation	...	Taking Nett Block: Per Spindle ...	58	52

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	19	51	per share.
	2. Excess of Liabilities over Liquid Assets	10	57	,,
	Net value ...	8	94	

Current Market Price: Rs. 9.20.

The Alagappa Textiles (Cochin) Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	29,828	30,374	34,200	39,000
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation.	*Loss* 5,57,582	5,37,919	*Loss* 1,09,180	2,28,936
Profit per Spindle based on the above.	...	17-11-4	...	5·87
Allocation to Depreciation	...	2,59,281	...	3,25,740
Allocation to Taxation	...	...	...	...
Nett Tax-free Earnings on Ordinary Capital after preference dividend.	*Loss* 5,57,582	2,78,638	*Loss* 1,09,180	*Loss* 96,804
Percentage of Nett Tax-free Earnings on Ordinary Capital.	...	18·18	...	...
Allocation to Reserves	...	1,50,000	...	...
Carry Forward	*Loss* 11,32,871	*Loss* 10,04,233	*Loss* 5,13,414 *	*Loss* 6,10,218
Dividend on Ordinary Shares (Present Capital)	...	...	...	...
Dividend on Capital issued for Cash ...	...	...	...	...
Highest and Lowest Prices of Shares ...	6/8-6/8	6/8-6/2	7/8-4/12	12-6/13

* After setting off the General Reserve of Rs. 6,00,000 to reduce the loss.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	61,61,148
Less Depreciation	32,35,389
Nett Block ...	29,25,759

ANGLO-FRENCH TEXTILES LTD.

(Regd. in 1951)

Registered Office ... 20, Rue Dumas, Pondicherry.

Managing Agents ... Messrs. Best & Co., (Pondicherry) Private Ltd.

		Rs.	Rs.
Capital: Equity ...	30,000 shares of Rs. 100 each	30,00,000	
Preference ...	18,000 (6% Free of Income-tax) shares of Rs. 100 each	18,00,000	
			48,00,000
Reserve Funds ...	...	...	30,000

Accounts ... Closed as at 31st December. DIVIDENDS paid in May.

Dividend ... 1954 ... 5% 1956 Nil
... 1955 ... Nil

Present Equipment ... Number of Spindles **44,386** Number of Looms ... **1,081**
Have also Dye Jiggers and Auxiliary Machinery, Piece Bleaching, Dyeing, Calendering and Finishing Plants, and also Yarn Dyeing.

Products Manufactured Cotton Yarn 6s to 32s. single. Also 20s-Staple Fibre Yarn. Cloth:—Drills, Twills Long cloths, Shirtings, Sarees, Dhoties, striped up to 48″ width grey bleached or Dyed Vat or sulphur.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. 53 nP. 21
Per Loom ... Rs. 1064 nP. 20

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	114	26	per share
2. Excess of Liabilities over Liquid Assets	22	41	
Nett Value ...	91	85	

Note: ... A Company, by name, Anglo French Textile Societe Anonyme, was formed in February 1951 to take over the Sterling Company the Anglo French Textile Co. Ltd. (known as Rodier Mills) as a running concern. This Company was carrying on as a Holding Company and was acting as the Selling Agents of the Anglo French Textile Co. Ltd., until 19th August 1955 when the latter Company went into voluntary Liquidation and the Company's business was transferred to the Holding Company. The fixed assets have also been transferred to the Indian Company, now called the An lo French Textiles Ltd., but a Bank balance remains with the Liquidator of the Sterling Company pending settlement of taxation liability in U.K.

... The Mills have their own Generator to supply 90% of their power requirements and also use purchased power to supplement the generator power. The mills are, however, not in a position to use their full installed capacity for the reason they cannot get sufficient purchased power for this purpose.

Current Market Price. Rs. 79.

Anglo-French Textiles Ltd. *(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours.	36,709	36,058	29,420	34,510
Number of Looms worked per shift of 8 hours.	587	599	781	810
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation.	1,98,212	3,56,146	1,13,146	Loss 1,46,331
Profit per Spindle based on the above ...	...	...	2-4-7	...
Allocation to Depreciation	...	...	...	...
Allocation to taxation	16,451	12,806	12,256	...
Nett Tax-free Earnings on Ordinary Capital after preference dividend ...	73,761	2,34,340	Loss 7,110	Loss 1,46,331
Percentage of Nett Tax-free Earnings on Ordinary Capital	2·46%	7·8%	...	...
Allocation to Reserves	10,000	17,000	...	...
Carry Forward	59,549	18,889	11,779	Loss 1,04,551
Dividend on Ordinary Shares (Present Capital)	...	5%	...	...
Highest and Lowest Prices of Shares ...	89-78	98-79	131-/8-96	127-95

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	34,27,179
Less Depreciation	Nil
	34,27,179

Note :—No Depreciation has been provided in the accounts, as the major portion thereof was received in distribution from the Liquidator, Anglo-French Textile Co. Ltd., (in voluntary liquidation) only on 15th November, 1956.

ASHER TEXTILES LTD.

(Regd. in 1936)

Registered Office ... Avanashi Road, Tiruppur.

Managing Agents ... Setna & Co., Tiruppur.

Capital: Equity ... 11,986 Ordy. Shares of Rs. 100 each ... ... Rs. 11,98,600

Reserve Funds ... General ... ... Rs. 5,00,000
Contingency and Others 57,519
5,57,519

Bonus Issue ... In 1947 Rs. 4,00,000 was capitalised out of Reserves and distributed in the proportion of one share free for every two shares held.

Accounts... ... Closed as at 30th June.

Dividends ... DIVIDENDS paid in October

1950	4%	1954	Nil.
1951	6%	1955	12½%
1952	4%	1956	15%
1953	4%	1957	12½%

Present Equipment ... Number of Spindles 24,800

Products Manufactured Cotton Yarn of 20s to 40s in hanks and cones.

Additions and proposed Expansions Additions to Buildings and Machinery in 1956-57 were to the tune of Rs. 8,33,656. Propose to construct Staff-Quarters besides alterations to Time Office, Canteen and Mechanic shop. Also propose to add Blow-room Machinery. One yarn conditioning plant and Eight carding engines of Japanese Howa make. All these are expected to cost Rs. 3,36,000.

Note ... ... Mills have a Power Generator which will supplement 25% of their power requirements when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 83 nP. 64

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	173	11	per share
2. Surplus of Liquid Assets over Liabilities	25	16	,,
Total ...	147	95	,,

Current Market Price: Rs. 217 **Yield on Last Dividend** ... 5.99% Tax-free.

ANALYSIS OF WORKING

As at 30th June	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	19,311	19,311	18,735	19,673
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	57,832	5,08,115	6,87,075	7,68,606
Profit per Spindle based on the above	3-0-0	26-5-0	36-10-9	39.07
Allocation to Depreciation ...	1,57,753	1,62,569	1,99,331	3,59,174‡
Allocation to Taxation	...	...	2,35,000	2,40,000*
Nett Tax-free Earnings on Capital ...	*Loss* 99,921	3,45,545	2,52,744	1,69,132
Percentage of Nett Tax-free Earnings on Capital	...	28·8%	21·08%	14.2%
Allocation to Reserves	...	1,89,664	70,000	...
Carry Forward	*Loss* 1,57,405†	1,980	3,566	16,013
Dividend on Ordinary Shares (Present Capital)	...	12·5%	15%	12·5%
Dividend on Capital issued for Cash ...	...	18·75%	22·5%	18·75%
Highest and Lowest Prices of Shares ...	100-71	100-168	232-155.50	217-217

† Loss written off drawing from General Reserve, bringing the Reserve Fund down to Rs. 2,88,907

‡ Includes Extra Depreciation and Development Rebate of Rs. 2,55,132.

* Includes Wealth Tax of Rs. 15,000.

Fixed assets as at 30th June, 1957.

	Rs.
Gross Block	39,87,104
Less Depreciation	19,12,220
Nett Block ...	20,74,884

THE ASOK TEXTILES PRIVATE LTD.

(Regd. in 1950)

Registered Office ... Alwaye (Kerala State).

Director-in-Charge ... Sri G. Krishnan

		Rs.	Rs.
Capital : Equity	... 1,10,000 Shares of Rs. 10 each ...	11,00,000	
Preference	... 4,000 (5% C.T.F.) Shares of Rs. 100 each...	4,00,000	
			15,00,000
Debentures	... Mortgage Loans (Outstanding as on 31-12-1956)		
	1: From Kerala Financial Corporation ...	9,70,094	
	2. On Security of Immovable Properties forming part of Investment	1,04,000	
			10,70,094

Accounts ... Closed as at 31st December and submitted in April.

Dividends ... 1956 ... 9%

Present Equipment ... Number of Spindles 15866

Products Manufactured Cotton yarn of 10s and 60s

Additions and Proposed Expansions : In 1956, Humidification Plant was put into commission as also One Roto Cone Winding Machine.

		Rs.	nP.	
Capitalisation	... Taking Nett Block : Per Spindle	132.	80	
Break-up-value of Ordinary share in relation to	1. Nett Block...	18	19	per share.
	2. Excess of Liabilities over Liquid Assets	7	92	"
	Nett Value ...	10	27	"

Current Market Price : Rs. 10 Nominal.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	10,096	10,203	12,834	12,769
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	1,13,468	1,25,458	79,338	5,88,923
Profit per Spindle based on the above ...	11-3-10	12-4-9	6-2-11	46.12
Allocatton to Depreciation ...	1,18,401	1,00,338	2,58,092	2,27,244
Allocation to Taxation ...	...	...	...	...
Nett Tax-free Earnings on Ordinary Capital after Preference Dividend ...	*Loss* 4,933	5,120	*Loss* 1,78,756	2,61,679†
Percentage of Nett Tax-free Earnings on Ordinary Capital ...	...	0·46%	Nil	23.79%
Allocation to Reserves ...	Nil	Nil	Nil	Nil
Carry Forward ...	...	25,120	*Loss* 1,53,635	9,044
Dividend on Ordinary Shares (Present Capital) ...	Nil	Nil	Nil	9%
Highest and Lowest Prices of Shares ...	10*	10*	10*	10*

* Nominal

† After payment of preference dividend for five years, from 1952 to 1956, amounting to Rs. 1,00,000.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block ...	32,42,940
Less Depreciation ...	12,41,959
Nett Block ...	20,00,971

THE BALARAMA VARMA TEXTILES LTD.

(REGD. IN 1945)

Registered Office	... Shencottah (Madras State.)		
Managing Agents	... Messrs. Karayalar & Rangaswamy Naidu Sons Co.		
		Rs.	Rs.
Capital: Equity	... 18,364 Shares of Rs. 100 each ...	18,36,400	
	9,933 "B" Shares of Rs. 10 each ...	99,330	
		19,35,730	
	Add Forfeited Shares (Amount Paid-up) on 636 Shares of Rs. 100 each and 67 "B" Shares ...	32,833	
			19,68,563
Reserve Funds	... General ...	2,00,000	
	Contingencies ...	1,00,000	
			3,00,000
Accounts	... Closed as at 31st December.	DIVIDENDS paid in May.	
Dividends	... 1952 ... 5%	1955 ... 10%	
	1953 ... 5%	1956 ... 10%	
	1954 ... 7½%		
Present Equipment	... Number of Spindles: Ring ...	14,384	
	Doubing ...	648	
			15,032

Products Manufactured ... Cotton Yarn of 20s to 80s (carded, hanks & cones) and Staple Fibre Yarn of 20s to 40s.

Additions and Proposed Expansions 12 Carding Engines and 5 Ring Frames of Howa-Japanese-make (2480 Spindles) were erected in 1956. Propose to add a further 3472 spindles, as also 12 Carding Engines.

Capitalisation ... Taking Nett Block Per Spindle ... Rs. nP. 179 93

(Rs. 100 paid)

Break-up-value of Ordinary share in relation to		Rs. nP.	
	1. Nett Block ...	137 39	per share.
	2. Excess of Liabilities over Liquid Assets ...	21 92	"
	Nett Value ...	115 47	"

Current Market Price: (Rs. 100 paid.): Rs. 100. **Yield on Last Dividend:** 10% Tax-free.

The Balarama Varma Textiles Ltd. *(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	11,665	11,531	11,635	11,634
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	4,75,256	6,79,283	7,10,509	6,47,197
Profit per Spindle based on the above...	40-11-10	58-14-6	61-1-0	55·63
Allocation to Depreciation ...	2,18,977	2,05,118	1,87,052	2,06,130
Allocation to Taxation ...	...	3,20,000	2,80,000	1,85,000
Nett Tax-free Earnings on Capital ...	2,56,279	1,54,165	2,43,457	2,56,067
Percentage of Nett Tax-Earnings on Capital ...	13·3%	7·84%	12·6%	13%
Allocation to Reserves ...	2,00,000	...	...	1,00,000
Carry Forward ...	731	9,799	39,793	1,687
Dividend on Ordinary Shares (Present Capital) ...	5%	7½%	10%	10%
Highest and Lowest Prices of Shares ...	90-75	90-95	100-95	105-100

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	42,10,950
Less Depreciation	15,06,278
Nett Block...	27,04,672

SRI BALASUBRAMANIA MILLS LTD.
(Regd. in 1934)

Registered Office	... Singanallur, Coimbatore.		
Managing Agents	... Messrs K. Krishnaswami Naidu & Bros.	Rs.	Rs.
Capital: Equity	... 11,648 "A" Shares of Rs. 40 each	... 4,65,920	
	11,648 "B" Shares of Rs. 70 each	... 8,15,360	
		12,81,280	
	Less Calls (time barred) ..	... 4,537	
			12,76,743
Reserve Funds	... General	Rs. ... 2,50,000	
	Machinery Replacement...	... 4,45,727	
			6,95,727

Bonus Issue ... In 1947, Rs. 8,15,360 was capitalised out of Reserves and distributed in the proportion of one share (Rs. 70 paid) free for every share (Rs. 40 paid) held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in August.

Dividends ...

1949	... 6%	1953	... 7½%
1950	... 7½%	1954	... 15%
1951	... 7½%	1955	... 15%
1952	... 6¼%	1956	... 15%

Present Equipment ... Number of Spindles **23,456**

Products Manufactured.. Yarn of 40s, 60s, and 80s and 100s Combed; and 34s and 40s on cones; and also Staple Fibre Yarns.

Additions and Proposed Expansions Installed capacity was increased from 17,696 to 22,688 spindles as at 31-12-56. With the erection of the machinery ordered for, the capacity will go upto 31,024 Spindles, excluding the 352 Doubling Spindles.

Note ... The Mills have a Power Generator of 210 H. P., to supplement 35% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. nP. 62 72

Break-up-value of Ordinary share in relation to

	"A" Rs. nP.	"B" Rs. nP.	
1. Nett Block ...	45 24	79 17	per share
2. Surplus of Liquid Assets over Liabilities ...	16 43	28 75	,,
Total ...	61 67	107 92	,,

Current Market Price: "A" Rs. 59; "B" Rs. 106.50

Yield on Last Dividend "A" 10.17 % Tax-free. "B" 9.81 % ,,

Sri Balasubramania Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	15,926	15,926	15,926	17,696
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	4,07,571	6,09,962	5,93,502	7,53,472
Profit per Spindle based on the above...	25-9-6	38-4-10	37-4-3	42·58
Allocation to Depreciation ...	2,96,710	3,05,414	2,49,332	4,96,219
Allocation to Taxation ...	...	1,45,000	1,50,000	69,746
Nett Tax-free Earnings on Capital ...	1,10,861	1,59,448	1,94,170	1,87,507
Percentage of Nett Tax-free Earnings on Capital ...	8·68%	12·44%	15·15%	14·63%
Allocation to Reserves ...	...	...	...	...
Carry Forward ...	36,433	4,369	7,028	3,023
Dividend on Ordinary Shares (Present capital) ...	7.5%	15%	15%	15%
Dividend on Capital issued for Cash ...	20·62%	41·25%	41·25%	41·25%
Highest and Lowest Prices of Shares (40 Paid) ...	36-28	50-36	70-8-46-8	82-68.50

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	35,69,134
Less Depreciation	21,20,061
Nett Block ...	14,49,073

THE BANGALORE WOOLLEN, COTTON & SILK MILLS CO., LTD.

(Regd. in 1884)

Registered Office ... Agraharam Road, Bangalore City.

Managing Agents ... Messrs. Binny & Co., (Madras) Ltd.

		Rs.	Rs.
Capital: Equity (as at 31-12-1956)	...40,500 Shares of Rs. 100 each ...	40,50,000	
Preference	... 6,000 (6% C.T.F.) shares of Rs. 100 each	6,00,000	
			46,50,000

Note: In April 1957, Rs. 81,00,000 was capitalised out of Reserves and distributed to the shareholders in the proportion of two ordinary shares free for every ordinary share held. The Equity Capital is now Rs ... 1,21,50,000

Reserve Funds ...

	Rs.	
General ...	35,00,000	
Dividend Equalisation ...	11,00,000	
Reconstruction ...	33,89,000	
Additional Provision for Depreciation based on replacement costs ...	26,00,000	
Fire and Accident Insurance ...	12,00,000	
Raw Materials Fluctuation ...	23,26,667	
Workpeople Housing ...	9,33,309	
Stores ...	4,00,000	
		1,54,48,976

Bonus Issue ... In 1947 Rs. 20,25,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in August and March.

Dividends ...

June 1951	10%	Dec. 1954	20%
Dec. 1951	10%	June 1955	10%
Dec. 1952	15%	Dec. 1955	20%
June 1953	10%	June 1956	10%
Dec. 1953	15%	Dec. 1956	20%
June 1954	10%	June 1957	4%*

*on the increased capital after bonus share distribution

Present Equipment ...

Number of Spindles	Cotton	47,802
	Woollen	4,246
Number of Looms	Cotton	1,157
	Woollen	61
	Silk	56

In addition to the Cotton, Woollen and Silk Machinery, their Dye House is well-equipped with Dyeing, Bleaching, Mercerising and Sanforising Machinery.

Products Manufactured ... *Cotton*: Drills (coarse & Fine). Tussores (coarse, Medium and Fine), Longcloth (Medium, Fine and Cella), Gold standard shirtings, Dobby shirtings, Cella check shirtings, Superfine shirting, Huckaback Towelling and Canvas.

Woollen: Tourist Rugs, and Blankets, Chancellor Rugs, Rajdhoot Rugs, Sheep Rugs and Blankets, Union Rugs and Blankets, etc.

The Bangalore Woollen, Cotton & Silk Mills Co., Ltd.—*(contd.)*

Silk : Georgette Fabrics, Spun Silk shirtings and Suiting and a wide range of Soft Silk and Georgette Sarees.

Additions and Proposed Expansions { Propose to add 96 Looms

Note ... Power Generating Equipment will supplement 4% of their power requirements when put to working.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 122 nP. 00
Per Loom 2,440 00

Break-up-value of Ordinary share in relation to

		Rs.	nP.	
1. Nett Block ...	*...	160	01	per share
2. Surplus of Liquid Assets over Liabilities ...	*...	102	57	,,
Total ...		225	09*	,,

* Taking the increased capital of 1,21,500 shares after the bonus share distribution.

Current Market Price : Rs. 164.00. **Yield on Last Year's Dividend 6.1 % Tax-free.**

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Cotton Spindles worked per shift of 8 hours	41,552	40,398	44,396	46,204
Number of Cotton Looms worked per shift of 8 hours	1,188	1,197	1,113	1,109
Nett Profit before allowing for Depreciation and Taxation	Rs. 48,43,633	Rs. 74,55,399	Rs. 63,62,351	Rs. 74,96,736
Profit per Spindle based on the above ...	74-2-7	115-14-1	95-7-2	102·57
Allocation to Depreciation	12,92,041	16,30,374	18,17,413	17,59,864
Allocation to Taxation	15,50,000	25,25,000	20,25,000	29,75,000
Nett Tax-free Earnings on Ordinary Capital after preference dividend ...	19,65,592	32,64,025	24,83,938	27,27,582
Percentage of Nett Tax-free Earnings on Ordinary Capital	48·53%	80·6%	61·33%	22·45*
Allocation to Reserves	3,50,000	13,69,707	9,00,000	18,00,000
Carry Forward	2,40,393	2,44,711	2,38,649	2,82,947
Dividend on Ordinary Shares (on Capital as at 31-12-1956)	25%	30%	30%	30%†
Dividend on Capital issued for Cash ...	112·5%	135·0%	135%	135%
Highest and Lowest Prices of Shares ...	287/8-214	435-285	585-407	610-540

* On the increased capital (equivalent to 77·35 on the old capital.)

† On the old Capital.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	3,39,77,494
Less Depreciation	2,60,70,021
Nett Block ...	79,07,473

THE BUCKINGHAM & CARNATIC CO. LTD.

(Regd. in. 1920)

Registered Office ... No. 7, Armenian Street, Madras-1.

Managing Agents ... Messrs. Binny & Co. (Madras), Ltd.

		Rs.	Rs.
Capital : Equity	... 1,78,478 Shares of Rs. 100 each ...	1,78,47,800	
Preference	... 21,302 (7½% C.T.F.) Shares of Rs. 100 each ...	21,30,200	
			1,99,78,000
Debentures	... (5% Taxable) Outstanding		78,00,000
Reserve Funds	... General	62,00,000	
	Dividend Equalisation	10,00,000	
	Debenture Redemption	3,02,500	
	Provision for increased Replacement cost of Building and Machinery ...	1,08,00,000	
	Raw Materials Fluctuation ...	48,70,712	
	Fire and Accident Insurance ...	20,00,000	
	Work-people Housing	15,00,000	
	Stores	20,00,000	
			2,86,73,212

Bonus Issue ... In 1948, Rs. 89,23,900 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid half-yealy in August, and March.

Dividends ...

June 1951 ...	3¾%	Dec. 1954 ...	6%
Dec. 1951 ...	3¾%	June 1955 ...	4%
Dec. 1952 ...	4%	Dec. 1955 ...	6%
June 1953 ...	4%	June 1956 ...	4%
Dec. 1953 ...	6%	Dec. 1956 ...	6%
June 1954 ...	4%	June 1957 ...	4%

Present Equipment ... Number of Spindles ... **1,38,340** Number of Looms... **2,788** Also large Bleaching, Dyeing and Finishing Plant.

Products Manufactured Drills, Twills, Crepes Casement Cloth, Shirting, (Plain, Dobby Striped and checked), Tussore (Fine and medium), Repp Tussore, Hanava, Consul, Gaberdine, Cellular, Bedford Cord, Cotton and Staple Fibre Mixture Suitings and Dress Materials.

Additions and Proposed Expansions } Additions to Buildings, and Machinery during the year 1956 amounted to over Rs. 27,49,473.

Note ... The Power Generator of the Mills will supplement about 45% of their power requirements, when put to working.

The Buckingham & Carnatic Co., Ltd.—(*contd.*)

			Rs. nP.
Capitalisation ...	Taking Nett Block: Per Spindle ...	...	140 34
	Per Loom ...	...	2,806 80

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	152 62	per share
	2. Surplus of Liquid Assets over Liabilities	100 91	
	Total ...	253 53	

Current Market Price: Rs. 158.00 **Yield on Last Year's Dividend:** 6.33% Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	1,20,356	96,818	1,03,866	1,06,894
Number of Looms worked per shift of 8 hours	2,787	2,674	2,638	2,647
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	95,24,246	89,07,879	1,11,73,715	84,45,396
Profit per Spindle based on the above ...	54-1-4	59-4-3	71-5-5	52·91
Allocation to Depreciation	17,89,009	19,90,236	30,60,035	40,96,713
Allocation to Taxation	37,25,000	37,50,000	30,00,000	15,00,000
Nett Tax-free Earnings on Capital after preference dividend	38,50,472	20,07,878	40,53,915	46,89,118
Percentage of Nett Tax-free Earnings on Ordinary Capital	21·6%	11·25%	22·71%	26·27%
Allocation to Reserve	7,50,000	11,00,000	12,88,594	16,00,000
Carry Forward	2,52,842	2,60,005	2,38,445	2,28,280
Dividend on Ordinary Shares (Present Capital)	10·0%	10%	10%	10%
Dividend on Capital issued for Cash ...	153·3%	153·3%	153·3%	153·3%
Highest and Lowest Prices of Shares ...	131–115	171–131	190–150	216–188

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	6,69,41,316
Less Depreciation	3,97,01,812
Nett Block ...	2,72,39,503

THE CAMBODIA MILLS LTD.

(Regd. in 1928)

Registered Office ... Coimbatore.

Managing Agents ... Messrs. Pierce, Leslie & Co., Ltd.

		Rs.	Rs.
apital Equity :	... 2,00,000 Shares of Rs. 10 each ...	... 20,00,000	
Preference	... 1,000 (7% C.T.F.) Shares of Rs. 100 each.	1,00,000	
			21,00,000
Reserve Funds	... General	... 6,00,000	
	Reconstruction and Development	... 14,00,000	
			20,00,000

Bonus Issue .. In 1948, Rs. 10,00,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December.

Dividends ...

		DIVIDENDS paid in April	
1949	... 7½%	1953	... 7½%
1950	... Nil.	1954	... Nil.
1951	... 12½%	1955	... 5%
1952	... 10%	1956	... 5%

Present Equipment ... Number of Spindles : Ring ... 37,536

Doubling ... 574

38,110

Products Manufactured Cotton Yarn 2s to 40s single and folded, and on cones.

Additions and Proposed Expansions Added in 1956 Vacuum Card Spinning Plant, Card Room Extension with 15 new Carding Engines, Shirley Opener Blownoom Line. Proposals in 1957 are (1) Humidification Plant with Heating Equipment for Spinning Department, (2) Casablanca Conversion of 7000 Ring Spindles, 7 Roving and 4 Intermediate Frames, (3) One Silver Lap Former and 4 Lap Drawing Machines, (4) Electric Yarn Baling Press, (5) Multiple End High Speed Winder, (6) Conversion of 50 Ring Frames to individual drive, (7) Conversion of Drawing Frames to Shirely system of drafting and (8) Conversion of 196 Reels into Power drive.

Note ... ... Mills have one 250 K.V.A. Power Generating set which will cover 25% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block : Per spindle ... Rs. 48 nP. 14

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	9	17	per share.
2. Surplus of Liquid Assets over Liabilities	11	10	"
Total ...	20	27	"

Current Market Price : Rs. 10.65 **Yield on last Year's Dividend** 4.7% Tax Free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	32,429	29,087	26,781	26,444
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	5,29,379*	1,03,185	3,97,535	3,10,204
Profit per Spindle based on the above ...	16-5-2	3-8-9	14-13-6	11·73
Allocation to Depreciation	1,59,554	1,90,633	2,01,260	2,17,991
Allocation to Taxation	2,60,000	...	...	Nil
Nett Tax-free Earnings on Ordinary Capital after Preference Dividend ...	1,02,837*	Loss 87,744	1,89,275	85,303
Percentage of Nett Tax-free Earnings on Ordinary Capital	5·14%	...	9·46%	4·27%
Allocation to Reserves	6,579	...	6,594	Nil
Carry Forward	39,657	Loss 55,087	27,593	53,534†
Dividend on Ordinary Shares (Present Capital)	*7·5%	...	5%	5%†
Dividend on Capital issued for Cash ...	15%	...	10%	10%
Highest and Lowest Prices of Shares ...	12/10-10	16-12/8	14/4-11/8	15·50-12·81

* After provision of Rs. 2,50 000 out of the profit for Involuntary Unemployment to Labour. Dividend of 7½% was paid drawing from 1952 carry forward.

†Adding Rs. 32,074 from Reserve for Taxation no lorger required and Rs. 8,564 being Refund of B. P. T. and E. P. T., to the year's profit, dividend of 5% was paid and Rs. 53,534 carride over.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	42,33,535
Less Depreciation	23,99,012
Nett Block ...	18,34,523

THE CANNANORE SPINNING & WEAVING MILLS LTD.

(Regd. in 1945)

Registered Office ... Kakkat, Cannanore (North Malabar).

Managing Agents ... Messrs. Damodaran, & Co.

		Rs.
Capital: Equity	15,000 Shares of Rs. 100 each.	15,00,000
Debentures	Loan from the Madras Industrial Investment Corporation Ltd. ...	10,57,436
Reserve Fund	General	5,11,500

Accounts... ... Closed as at 31st March.

Dividends ... DIVIDENDS paid in August

1950	6%	1954	20%
1951	10%	1955	12%
1952	12%	1956	15%
1953	12%	1957	20%

Present Equipment ... Number of Spindles **20,696**

Products Manufactured. Cotton Yarn of 20s to 36s, single and double.

Additions and proposed Expansions In 1956-57 extension of Reeling Shed by a new block, and installation of 21 Cards, 2 Drawings, 1 Slubbing and 2 Inter Frames. Propose to add 4,000 Spindles, subject to the sanction from Government of India.

Note ... ... The Mills have 2 Diesel Generators which will supplement Power requirements upto 60% when put to use.

		Rs. nP.	
Capitalisation	Taking Nett Block: Per Spindle	125 40	
Break-up-value of Ordinary share in relation to	1. Nett Block	173 03	per share.
	2. Excess of Liabilities over Liquid Assets.	26 08	,,
	Nett Value ...	146 95	,,

Current Market Price: Rs. 160.00 **Yield on Last Dividend:** 12.5% Tax-free

The Cannanore Spinning & Weaving Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	14,742	14,719	15,400	18,011
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	8,78,882	9,68,728	9,95,900	12,73,746
Profit per Spindle based on the above...	59–10–0	65–13–0	64–10–8	70·72
Allocation to Depreciation	3,65,726	3,16,810	2,36,121	2,79,949
Allocation to Taxation	...	1,65,000	4,25,000	5,10,000
Nett Tax-Free Earnings on Capital ...	5,13,156	4,86,918*	3,34,779	4,83,797
Percentage of Nett Tax-free Earnings on Capital	34·2%	32·46%	22·32%	32.25%
Allocation to Reserves	1,00,000	Nil	60,000	...
Carry Forward	37,639	44,557	8,994	1,92,792
Dividend on Ordinary Shares (Present Capital)	20%	12%	15%	20%
Highest and Lowest Prices of Shares ...	100–152	120–152-8	154–120	193–143

*Out of this the Company paid a sum of Rs. 3,00,000 to the Malabar Industrial Syndicate for termination of their Managing Agency.

Fixed assets as at 31st March 1957

			Rs.
Gross Block	...	...	... 53,66,326
Less Depreciation	—	—	... 27,70,852
		Nett Block	25,95,474

CAUVERY SPINNING & WEAVING MILLS LTD.

(Regd. in 1946)

Registered Office ... III Floor, Indian Chamber Buildings, Madras-1

Mills ... at Vellanur R. S., Cauvery Nagar P.O.

Managing Agents ... United Industries (Pudukottai) Private Ltd., Madras.

			Rs.	Rs.
Capital:	**Equity** ...	93,747 Shares of Rs. 10 each	... 9,37,470	
	Preference ...	6,581 (6½% C.T.F.) Shares of Rs. 100 each	6,58,100	
			15,95,570	
		Less Calls in arrears (Time barred) ...	3,951	15,91,619
			Rs.	
	Debentures ...	(5% T.F.) Outstanding (31-3-57)	... 1,00,000*	
		(5½% T.F.) outstanding (31-3-57)	... 6,25,000*	
		(6½%) Outstanding (31-3-57)	... 6,50,000	13,50,000

* Have since redeemed Rs. 91,900 in 5% Debentures (leaving a balance of only Rs. 8,100) and Rs. 50,000 in 5½% debentures, reducing it to Rs. 5,75,000.

Reserve Fund ... Debenture Redemption 5,00,000

Accounts ... Closed as at 31st March. DIVIDENDS paid in August

Dividends ... 1955 ... 6½% 1957 ... 9%
1956 ... 7½%

Present Equipment ... Number of Spindles: Single ... 24,800
Doubling ... 5,112
29912

Products Manufactured.. Cotton Yarn 32s and 2/60s also 80s and 2/87s; Stable Fibre Yarn 2/40s and 40s.

Additions and Proposed Expansions Addition to Buildings Rs. 74,787 and Machinery Rs. 311,492 in 1956-57. A further 6,000 spindles are under erection.

Note ... Have Diesel Generators to supplement 40% of their power requirements when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. nP. 111 36

		Rs. nP.	
Break-up-value of Ordinary Share in relation to	1. Nett Block	35 53	per share.
	2. Excess of Liabilities over Liquid Assets	19 20	„
	Nett Value ...	16 33	

Current Market Price: Rs. 12.05 **Yield on Last Dividend:** 7.5%

ANALYSIS OF WORKING

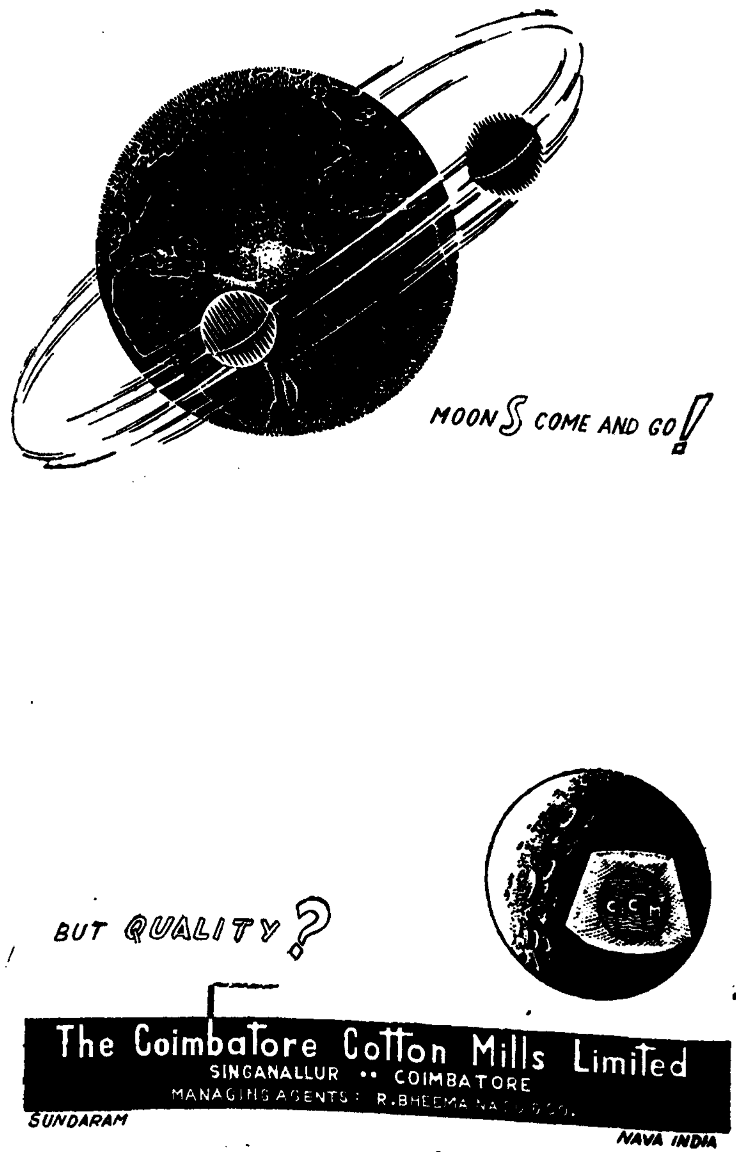
As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	15,346	19,789	20,251	23,250
	Rs.	Rs.	Rs.	Rs.
Nett-Profit before allowing for Depreciation and Taxation	7,54,535	5,96,074	5,12,596	10,73,604
Profit per Spindle based on the above ...	49-2-8	29-15-9	25-5-0	46·18
Allocation to Depreciation	2,85,000	2,76,328	2,43,920	3,95,340
Allocation to Taxation	...	...	5,000	2,20,000
Nett Tax-free Earnings on Ordinary Capital after preference dividend ...	4,69,535*	1,55,221†	2,22,541	4,17,133
Percentage of Nett Tax-Free Earnings on Ordinary Capital	50·1%*	16·55%	23.8%	44·5%
Allocation to Reserves	...	1,00,000	1,00,000	3,00,000
Carry Forward	22,923	20,740	58,798	96,659
Dividend on Ordinary Shares (Present Capital)	...	6.25	7·5%	9%
Highest and Lowest Prices of Shares ...	8/4-5	8/4-12/6	14-18/4	15·00-12·00

* Out of this profit, the previous years' loss of Rs. 3,50,053-10-0 was written off and arrears of preference dividend for 31-3-1950 and 31-3-1951 were paid.

† After paying off the entire arrears of preference dividend from 1-4-51 to 31-3-1955.

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	55,16,220
Less Depreciation	21,85,420
Nett Block ...	33,00,800



THE COIMBATORE COTTON MILLS LTD.

(REGD. IN 1929)

Registered Office ... Singanallur, Coimbatore.

Managing Agents ... Messrs. R. Bheema Naidu & Co.

		Rs.
Capital: Equity ... 12,000 Shares of Rs. 100 each	... ...	12,00,000

Note ... ... In June 1957, the company issued 24,000 shares of Rs. 100 each at par.

Reserve Funds ...

		Rs.	
General	... ...	9,00,000	
Machinery Replacement	... ...	7,00,000	
Dividend Equalisation	... ...	3,00,000	
Contingency ...	... ...	1,60,000	
			20,60,000

Bonus Issue ... In 1947 Rs. 6,00,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... ... Closed as at 31st December.

Dividends ...

		DIVIDENDS paid in March	
1949	... $12\frac{1}{2}$%	1953	... 20%
1950	... $12\frac{1}{2}$%	1954	... 25%
1951	... $12\frac{1}{2}$%	1955	... 25%
1952	... 9%	1956	... 25%

Present Equipment ... Number of Spindles:

Ring	...	28,862	
Doubling	...	1,140	
			30,002

Products Manufactured... Cotton Grey Yarn 20s to 60s in hanks and cones. Staple Fibre Yarn of 30s Grey and coloured in hanks and cones.

Additions and Proposed Expansions The second unit of the company called the "Jubilee Mills" with 12,800 Spindles is expected to commence production before the end of the year. Have also obtained or Licence for 12,800 spindles and 240 Loorus.

Note ... ... The Company has two diesel Generators to supplement 60% of power requirements when put to working.

		Rs.	nP.
Capitalisation ... Taking Nett Block: Per Spindle	... ...	37	73

Break-up-Value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	94	49	per share
2. Surplus of Liquid Assets over Liabilities	163	91	,,
Total ...	258	40	

Current Market Price: Rs. 165.00

Yield on Last Dividend: 6.85% Tax free

The Coimbatore Cotton Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	24,368	27,866	27,330	25,868
Nett Profit before allowing for Depreciation and Taxation ...	Rs. 12,74,543	Rs. 11,16,768	Rs. 13,06,083	Rs. 11,83,790
Profit per Spindle based on the above	52-4-10	40-1-3	47-12-7	45·76
Allocation of Depreciation ...	4,34,670	3,08,213	3,51,300	3,06,609
Allocation to Taxation	1,96,888	4,20,000	5,68,000	5,50,000
Nett Tax-free Earnings on Capital.	6,42,985	3,88,555	3,86,583	3,27,181
Percentage of Nett Tax-free Earnings on Capital	53·58%	32·38%	32·21%	27.26%
Allocation to Reserves	2,68,000	83,940	...	50,000*
Carry Forward	...	4,614	34,164	10,889
Dividend on Ordinary Shares (Present Capital)	20%	25%	25%	25%
Dividend on Capital issued for Cash ...	40%	50%	50%	50%
Highest and Lowest Prices of Shares ...	160-143	286-166	353-210	413-333

* Provision for Gratuity Fund.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	41,97,634
Less Depreciation	30,65,709
Nett Block ...	11,31,925

THE COIMBATORE KAMALA MILLS LTD.

(Regd. in 1935)

Registered Office ... Uppilipalayam, Singanallur P.O. (Coimbatore).

		Rs.	Rs.
Capital: Equity ...	3,413 shares of Rs. 100 each ...	... 3,41,300	
...	1,439 shares of Rs. 50 each ...	... 71,950	
		4,13,250	
	Less calls in arrears (time barred) ...	512	4,12,738
Debentures ...	6% Tax-free (Outstanding as on 31-12-1956) ...		5,50,000

Accounts ... Closed as at 31st December. DIVIDENDS paid in September.

Dividends ...

1949 ...	4%	1953 ...	Nil.
1950 ...	5%	1954 ...	Nil.
1951 ...	6%	1955 ...	Nil.
1952 ...	4½%	1956 ...	Nil.

Present Equipment ... Number of Spindles 18,424 Numbers of Looms ... 66

Products Manufactured. Cotton yarn of 20s, 30s, 40s and 60s. and Staple Fibre yarn.

Additions and Proposed Expansions Additions to Buildings and Machinery were to the tune of Rs. 1,81,863. Proposed expansions to Buildings and Machinery are to the tune of Rs. 6,00,000.

Note: ... They have a Power Generator to supplement 25% of their power requirements, when put to working.

			Rs. nP.
Capitalisation ...	Taking Nett Block: Per Spindle	...	62 03
	Per Loom	...	1240 60

(Rs. 100 paid).

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	296 31	per share.
	2. Excess of Liabilities over Liquid Assets	276 30	„
	Nett value	20 01	

Current Market Price: ... Rs. 103.50

The Coimbatore Kamala Mills Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	14,110	13,887	16,201	14,445
Number of Looms worked per shift of 8 hours ...	...	3	Nil	Nil
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	*Loss* 3,90,337	*Loss* 2,92,251	2,41,575	6,13,854
Profit per Spindle based on the above ...	Nil	Nil	14-14-7	42·47
Allocation to Depreciation ...	Nil	4,45,027	63,670	48,709
Allocation to Taxation ...	Nil	Nil	Nil	Nil
Nett Tax-Free Earnings on Ordinary Capital ...	*Loss* 3,90,337	*Loss* 73,727	1,77,905	5,64,667
Percentage of Nett Tax-Free Earnings on Capital ...	Nil	Nil	43%	136·38%
Allocation to Reserves ...	Nil	Nil	Nil	Nil
Carry Forward ...	*Loss* 6,36,733	*Loss* 13,74,011	*Loss* 11,96,106	*Loss* 3,30,010*
Dividend on Ordinary Shares ...	Nil	Nil	Nil	Nil
Highest and Lowest Prices of Shares ...	85 Nominal	85-8/80	98-80	103·50-96

*After setting of the General Reserve of Rs. 3,00,000 and Dividend Equalisation Fund of Rs. 1,428.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	26,55,758
Less Depreciation...	14,31,090
Nett Block ...	12,24,668

THE COIMBATORE MURUGAN MILLS LTD.

(Regd. in 1935)

gistered Office ... Mettupalaiyam Road, Coimbatore.

anaging Agents ... Messrs. T. A. Ramalingam Chettiar Sons & Co., Coimbatore.

		Rs.	Rs.
pital: Exquity ...	12,100 Shares of Rs. 100 each ...	12,10,000	
Preference ...	713, (6% C.T.F.) Shares of Rs. 100 each...	71,300	
			12,81,300

ote: ... In July 1957, the Company issued 6050 Equity Shares at par, to the Shareholders in the ratio of one share for every two shares held.

eserve Funds ...	General	4,15,273	
	Machinery Replacement	1,00,000	
	Contingency	3,14,600	
			8,29,873

onus Issues ... Out of the Equity Capital of 12,100 shares, 6389 Shares of Rs. 100 each were issued as bonus, the bonus issues having been made in 1947 and 1951.

ccounts ... Closed as at 31st December. DIVIDENDS paid in March.

ividends ...

1949 ...	14%	1953 ...	9%
1950 ...	15%	1954 ...	17½%
1951 ...	16%	1955 ...	20%
1952 ...	5%	1956 ...	12%

resent Equipment ... Number of Spindles ... 25340. Number of Looms... 100.

roducts Manufactured... Cotton Yarn of 20s to 80s, single & folded, in hanks & cones. Also Staple Fibre Yarn of 20s and 40s. Bleached Long cloth, Mulls and Coloured Shirting.

dditions and Proposed Expansions In 1956 added 4200 spindles. Propose to add 6000 spindles and Buildings worth Rs. 2 lakhs in 1957.

ote ... The Mills have a Power Generator to supplement 20% of their power requirements, when put to working.

The Coimbatore Murugan Mills Ltd.—(*contd.*)

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 54 nP 39
Per Loom 1,087 80

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	122	88	per share.
2. Surplus of Liquid Assets over Liabilities	19	94	,,
Total ...	142	82	,,

Current Market Price: Rs. 141.00 **Yield on Last Dividend:** 6.28% Tax free

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Nnmber of Spindles worked per shift of 8 hours	17,852	18,599	18,595	18,919
Number of Looms worked per shift of 8 hours	37	76	94	95
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	4,53,799	7,52,148	6,90,577	8,02,335
Profit per Spindle based on the above ...	24-6-6	37-6-3	33-11-8	38.54
Allocation to Depreciation	2,79,074	2,54,013	2,27,441	3,68,698
Allocation to Taxation	...	2,35,000	2,19,000	1,77,000
Nett Tax-Free Earnings on Ordinary Capital after payment of preference dividend	1,70,448	2,58,857	2,39,858	2,52,309
Percentage of Nett Tax-Free Earnings on Ordinary Capital	14·09%	28%	19·8%	20.86%
Allocation to Reserves	5,712	44,535	...	Nil
Carry Forward...	...	2,572	432	Nil
Dividend on Ordinary Shares (Present Capital)	9%	17·5%	20%	12%
Dividend on Capital issued for Cash ...	21·31%	41·45%	47·5%	28.5%
Highest and Lowest Prices of Shares ...	130-114	140-120	180-140	245-180

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	39,16,552
Less Depreciation	24,29,633
Nett Block ...	14,86,919

THE COIMBATORE PIONEER MILLS LTD.

(REGD. IN 1935)

Registered Office ... Peelamedu, Coimbatore.

Managing Agents & Secretaries ... Messrs. T. R. Narayanaswamy Naidu & Co.

		Rs.
Capital Equity: ...	20,000 Shares of Rs. 100 each ...	20,00,000
Preference ...	1,000 (6½% C.T.F.) Shares of Rs. 100 each	1,00,000
		21,00,000
Reserve Funds ...	Machinery Replacement ...	16,00,000
	Contingency	3,20,000
		19,20,000

Bonus Issue ... In 1948, Rs. 16,00,000 was capitalised out of Reserves and distributed in the proportion of four shares free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in June.

Dividends ...

June 1950 ...	7%	Dec. 1953 ...	15%
,, 1951 ...	6%	,, 1954 ...	20%
Dec. 1951 ...	3%	,, 1955 ...	20%
,, 1952 ...	9%	,, 1956 ...	20%

Present Equipment ... Number of Spindles: Ring ... 37,786

Doubling ... 728

38,514*

* The "A" Mill at Peelamedu has 27,226 (Ring) and 728 (Doubling) Spindles and the "B" Mill at Periannaicken-palayam 10,560 (Ring) Spindles..

Products Manufactured Cotton Yarn of 60s 80s and 100s in the "A" Mill at Peelamedu and 20s and 40s in the "B" Mill at Perianaickenpalayam. (both hanks and cones)

Additions and Proposed Expansions Propose to add in the "B" Mill at Periyanaickenpalayam a further 10,000 spindles.

Note ... The Mills have two Power Generators at Peelamedu to supplement 45% of their power requirements when put to working, and the "B" Mill has a Power Generator to supplement 30% of their power requirements at Perianaickenpalayam.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 93 nP. 78

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	180	59	per share
2. Surplus of Liquid Assets over Liabilities	16	07	,,
Total ...	199	66	,,

Current Market Price Rs. 235.00. **Yield on Last Dividend:** 8.30% Tax-free.

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	18,634	19,649	23,738	29,836
	Rs.	Rs.	Rs,	Rs.
NETT PROFIT before allowing for Depreciation and Taxation ...	9,84,008	15,16,949	16,93,420	18,24,548
PROFIT per SPINDLE based on the above ...	52-12-11	77-3-3	71-5-5	61.15
Allocation to Depreciation ...	3,75,282	4,19,796	3,70,517	11,19,057
Allocation to Taxation ...	...	6,50,000	3,41,133	3,00,000
NETT TAX-FREE EARNINGS on Ordinary Capital after preference dividend ...	6,02,226	4,40,653	9,75,270	3,98,991
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital ...	30·11%	22·03%	43·76%	19.95%
Allocation to Reserves ...	4,16,276	30,000	5,20,000	Nil
Carry Forward ...	3,400	14,053	14,323	13,314
DIVIDEND on Ordinary Shares (Present Capital) ...	15%	20%	20%	20%
DIVIDEND on Capital issued for Cash ...	75%	100%	100%	100%
Highest and Lowest Prices of Shares ...	128-97	226-128/8	280-196	342.50-241

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	71,42,628
Less Depreciation	35,30,753
NETT BLOCK ...	36,11,875

THE COIMBATORE SPINNING & WEAVING CO., LTD.
(Regd. in 1888)

Registered Office ... Coimbatore

Managing Agents ... Messrs. R. G. S. Naidu & Co., Coimbatore.

Capital: Equity ... 41,538 Shares of Rs. 50 each ... ... Rs. 20,76,00

Reserve Funds ... Contingency ... ... Rs. 2,00,000
Stores 5,076
2,05,06

Bonus Issue ... In 1947, Rs. 13,84,600 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in August

Dividends ...

30th June	1950	5%	31st Dec.	1953	12% p.a.
,,	1951	10%	,,	1954	12%
,,	1952	Nil	,,	1955	16%
,,	1953	Nil	,,	1956	20%

Present Equipment ... Number of Spindles ... 72,832. Number of Looms ... 40

Additions and Proposed Expansions Modernisation and Renovation of the Plant and Machinery has been undertaken. 8,000 Spindles for exclusively Stable Fibre spinning are under erection.

Products Manufactured Cotton Yarn of counts 20s to 80s and Stable Fibre Yarn o 2/40s. Cloth: Longcloth, Chadders and Dhoties.

Note ... The Mills have two Generators which will supplement about 30% of their power requirements when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 44 nP 46
Per Loom 889 20

Break-up-value of Ordinary share in relation to
1. Nett Block ... ... Rs. 86 nP. 66 per share.
2. Excess of Liabilities over Liquid Assets ... ... 31 47 ,,
Nett Value ... 55 19 ,,

Current Market Price: Rs. 69.00. **Yield on Last Dividend:** 14.5% Tax-free.

The Coimbatore Spinning & Weaving Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	For six months 31st Dec. 1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	48,327	70,774	68,662	68,662
Number of Looms worked per shift of 8 hours	382	374	371	371
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	8,89,359	21,30,847	10,52,217	14,95,999
Profit per Spindle based on the above...	15-14-0	27-3-11	13-13-3	19.66
Allocation to Depreciation	2,87,841	13,18,300	3,90,915	3,92,125
Allocation to Taxation	Nil	Nil	2,50,000	5,00,000
Nett Tax-Free Earnings on Capital ...	6,01,519	8,12,547	4,11,302	6.03,875
Percentage of Nett Tax-Free Earnings on Capital	28·9%	39·12%	19·8%	29.07%
Allocation to Reserves	Nil	Nil	Nil	2,00,000
Carry Forward	*Loss* 5,46,436	16,884	21,920	10,415
Dividend on Ordinary Shares (Present Capital)	12% p.a.	12%	16%	20%
Dividend on Capital issued for Cash ...	36%	36%	48%	60%
Highest and Lowest Prices of Shares ...	70-35	73-35/4	86-66	123-78

Fixed assets as at 31st December, 1956

	Rs.
Gross Block*	1,24,06,676
Less Depreciation	88,06,979
Nett Block ...	35,99,697

* After deducting Rs. 4'33,443, written off on 14-1-1937 under the reduction of Share Capital Scheme.

THE DAVANGERE COTTON MILLS LTD.

(Regd. in 1936)

Registered Office ... Chitaldrug Road, Davangere.

Managing Agents ... Messrs. R. Hanumanthappa & Son. ... ... Rs.

Capital: Equity ... 24,404 Shares of Rs. 100 each 24,40,400

Debentures ... Mortgage Loan 15,00,000

Reserve Funds ... General 15,50,000

Bonus Issue ... In December 1948, the Company capitalised Rs. 8,14,600 out of Reserves and distributed the same in the proportion of one share free for every share held. In 1956. Rs. 8,14,600 was capitalised out of Reserves and distributed as bonus Equity Shares in the proportion of one share for every two held.

Accounts ... ... Closed as at 31st March DIVIDENDS paid in November.

Dividends ...

1950 ...	7%	1954 ...	12%
1951 ...	9%	1955 ...	9%
1952 ...	12%	1956 ...	9%
1953 ...	14%	1957 ...	9%

Present Equipment ... Number of Spindles; Ring ... 28,816
Doubling ... 1,512
30,328
Number of Looms ... 300.

Products Manufactured Cotton Yarn of 26s, 32s, and 40s, and Staple Fibre Yarn of 40s, and 2/40s.

Additions and Proposed Expansions In 1956-57 added 4320 spindles. Propose to add a further 2400 spindles and also a complete Bleaching unit.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 144 nP. 90
Per Loom 2,898 00

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	215	41	per share
Excess of Liabilities over Liquid Assets	51	31	„
Total ...	164	10	„

Current Market Price: Rs. 114. **Yield on Last Dividend:** 7.9% Tax-free.

The Davangere Cotton Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

—	June 1954	March 1955	1956	1957
Number of Spindles worked per shift of 8 hours	20,620	21,202	21,987	25,907
Number of Looms worked per shift of 8 hours	108	263	208	269
	Rs.	Rs.	Rs.	Rs.
Nett-Profit before allowing for Depreciation and Taxation	7,06,899	8,59,219	13,89,799	17,90,023
Profit per Spindle based on the above ...	31-0-6	32-7-7	53.28	57.21
Allocation to Depreciation	3,84,263	5,45,302	5,11,659	5,42,563
Allocation to Taxation	75,000	1,75,000	5,00.000	6,80,000
Nett Tax-Free Earnings on Capital ...	2,47,636	2,13,917	3,78,140	5,67,460
Percentage of Nett Tax-free Earnings on Capital	15·2%	13·13%	15.0%	23·22%
Allocation to Reserves	50,000	1,00,000	1,64,600	3,50,000
Carry Forward	7,712	24,637	18,225	15,779
Dividend on Ordinary Shares (Present Capital)	12%	9%	9 %	9 %
Dividend on Capital issued for Cash ...	24%	18%	27 %	27%
Highest and Lowest Prices of Shares ...	130-115	140-130	150-140	140-114

• Nominal.

Fixed assets as at 31st March, 1957

	Rs.
Gross Block	92,90,582
Less Depreciation	40,27,014
Nett Block ...	52,63,568

THE DHANALAKSHMI MILLS LTD.

(Regd. in 1932)

Registered ... Tiruppur.

Managing Agents ... Messrs. M. Nanjappa Chettiar & Sons, Tiruppur.

	Rs.
Capital: Equity (As at 31-12-1956) 24,348 Shares of Rs. 100 each ...	24,34,800

Note: In August 1957, the Company issued 24,348 shares of Rs. 100 each to the shareholders at par in the proportion of one share for every share held.

Reserve Funds		Rs.	
...	General	17,00,000	
	Dividend Equalisation	4,25,000	
			21,25,000

Bonus Issues ... In 1946, Rs. 8,11,600 was capitalised out of Reserves and distributed in the proportion of one share free for every share held. In October, 1951, Rs. 8,11,600 was capitalised out of Reserves and distributed in the proportion of one share free for every two shares held.

Accounts ... Closed as at 31st December. DIVIDEND paid in April.

Dividends ...

1949 ...	25%	1953 ...	20%
1950 ...	25%	1954 ...	30%
1951 ...	20%	1955 ...	30%
1952 ...	10%	1956 ...	25%

Present Equipment ... Number of Spindles, 39,620 Number of Looms ... 201
Have also Seven Combers.

Products Manufactured. Cotton Yarn 20s to 100s Carded, Combed Yarns and Staple Fibre Yarn 20s to 40s, single and folded. Also Cloth Mulls, Longcloth Shirting, Dhoties, Grey bleached and coloured cloths and Hosieries.

Additions and Proposed Expansions } Propose to add 10,000 spindles and 192 Automatic Looms.

Note ... ... The Mills have 2 Generators, to supplement about 25% of their power requirements when put to working.

Capitalisation		Rs. nP.
... Taking Nett Block:	Per Spindle	47 19
	Per Loom	943 80

Break-up-value of Ordinary share in relation to	Rs. nP.	
1. Nett Block	84 57	per share.
2. Surplus of Liquid Assets over Liabilities	102 70	„
Total ...	187 27	

Current Market Price: Rs. 216 **Yield on Last Dividend** 7.91 % Tax free.

The Dhanalakshmi Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	28,090	27,847	28,228	28,970
Number of Looms worked per shift of 8 hours	164	167	169	158
	Rs.	Rs.	Rs.	Rs.
Nett-Profit before allowing for Depreciation and Taxation	13,10,867	20,77,513	22,55,694	20,08,140
Profit per Spindle based on the above ...	46–10–8	66–9–10	72–0–0	62·50
Allocation to Depreciation	4,75,201	3,75,788	4,62,337	7,96,809
Allocation to Taxation	3,60,000	9,40,000	9,60,000	6,09,495
Nett Tax-free Earnings on Capital ...	4,75,666	7,61,725	8,33,357	6,01,836
Percentage of Nett Tax-free Earnings on Capital	19·53%	31·28%	34·2%	24·7%
Allocation to Reserves	...	...	1,02,242	...
Carry Forward	9,452	9,248	6,864	...
Dividend on Ordinary Shares (Present Capital)	20%	30%	30%	25%
Dividend on Capital issued for Cash ...	60%	90%	90%	75%
Highest and Lowest Prices of Shares ...	196–174	315–198	365–268	435–342.50

Fixed assets as at 31st December, 1956.

		Rs.
Gross Block ...	... ...	66,71,865
Less Depreciation	... ...	46,12,585
	Nett Block ...	20,59,280

Note: Since the fresh capital issue was made only in August, 1957, figures like the break-up value, percentage of nett tax-free earnings on Capital and Dividend on Capital issued for cash, have all been given for the Old Shares.

THE SRI GANAPATHY MILLS CO., LTD.

(Regd. in 1947)

Registered Office ... 36, East Car Street, Tinnevelly.

Managing Agents ... Messrs S. S. Pillai & Sons Ltd.

		Rs.	Rs.
Capital: Equity ...	10,447 "A" Shares of Rs. 100 each Fully Paid (as at 31-12-56) ...	10,47,700	
	500 "B" Shares of Rs. 10 each Fully Paid (as at 31-12-56) ...	5,000	
		10,52,700	
	Less Calls in arrears	5,620	10,47,080
Debentures ...	Loan from the Madras Industrial Investment Corpn., Ltd.		3,75,000
Reserve Funds ...	... ...		49,666

Bonus Issue ... In March-April, 1957, Rs. 2,61,570 was capitalised out of the Reserve Fund and distributed as free bonus shares in the proportion of one share for every four shares held. In respect of fractions for holdings below four shares, cash payment in lieu of proportionate bonus share was made.

Accounts ... Closed as at 31st December. DIVIDEND paid in June

Dividends ...

1952 ...	3%	1955 ...	20%
1953 ...	6%	1956 ...	20%
1954 ...	12%		

Present Equipment ... Number of Spindles 12,400

Products Manufactured Cotton Yarn of 20s, 26s and 40s single.

Additions and Proposed Expansions Constructed a New Bundling and Baling Room and also added 400 spindles in 1956. The preparatory machinery for the 4,000 spindles ordered for, are in course of erection and the 4,000 spindles are expected to be received before the end of the year.

Note ... They have a Power Generator capable of producing 75% of the power requirements of the Mills, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. nP. 127 65

Break-up-value of Ordinary share in relation to		Rs. nP.	
	1. Nett Block	150 36	per share
	2. Excess of Liabilities over Liquid Assets ...	41 54	„
	Nett Value ...	108 82	„

Current Market Price: Rs. 125.00 **Yield on Last Dividend:** 16.00 % Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	4,452	6,101	7,729	10,027
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	3,26,199	4,13,665	5,40,549	7,61,814
Profit per Spindle based on the above ...	73-4-4	67-12-10	69-15-0	75.98
Allocation to Depreciation ...	1,76,616	1,70,646	1,63,610	2,26,730
Allocation to Taxation ...	Nil	Nil	16,000	3,00,000
Nett Tax-free Earnings on Ordirnay Capital ...	1,49,583	2,43,019	2,16,939	2,35,083
Percentage of Nett Tax-free Earnings on Capital ...	14·6%	24·4%	21·4%	22·33%
Allocation to Reserves ...	50,000	1,65,000	49,947	...
Carry Forward ...	87,262	46,312	13,093	48,815
Dividend on Ordinary Shares (Present Capital) ...	6%	12%	20%	20%
Highest and Lowest Prices of Shares ...	75 (Nominal)	100-75	120-100	130-120

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	25,58,528
Less Depreciation	9,75,672
Nett Block ...	15,82,856

SREE GANESAR TEXTILE MILLS LTD.

(Regd. in 1947)

Registered Office ... No. 16, Subhas Road, Post Box No. 23, Davangere City. (Mysore State).

Managing Agents ... M/s. G. Mahadevappa & Brothers, Davangere City.

		Rs.	Rs.
Capital : Equity ...	3,01,092 Shares of Rs. 10 each ...	30,10,920	
...	*Less* Calls in arrears ...	3,86,846	
			26,24,074

Debentures ... Loan from Government of Mysore (Outstanding as on 31-3-1955) 10,40,000

Accounts ... Closed as at 31st March and submitted in December.

Present Equipment ... Number of Spindles: Ring 19,576; Doubling 800; 20,376

Products Manufactured.. Grey Cotton Yarn of 10s to 40s, including double Yarn and Staple Fibre Yarn of 20s and 2/40s.

Additions and Proposed Expansions Against the licence secured for 6400 spindles, 2280 spindles (secondhand) have been installed and the balance 4120 are yet to be purchased.

Capitalisation ... Taking Nett Block : Per Spindle Rs. 227 nP. 56

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	17	67	per share
2. Excess of Liabilities over Liquid Assets.	7	11	,,
Nett Value ...	10	56	,,

Current Market Price: Rs. 8 Nominal.

Sree Ganesar Textile Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As At 31st March	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	14,328	16,191	15,400	15,346
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	1,05,526	Loss 1,30,910	4,42,945	4,50,087
Profit per Spindle based on the above ...	7-5-10	Nil	28-12-2	29.33
Allocation to Depreciation	...	...	3,07,953	3,55,408
Allocation to Taxation	...	...	...	...
Nett Tax-Free Earnings on Capital ...	1,05,526	Loss 1,30,910	1,34,992	94,679
Percentage of Nett Tax-Free Earnings on capital	4·1%	...	5·1%	3.61%
Allocation to Reserve	...	...	...	...
Carry Forward	6,434	Loss 1,24,476	10,517	1,05,196
Dividend on Ordinary Shares ...	...	...	...	Nil
Highest and Lowest Prices of Shares ...	7*	7*	8*	8*

* Nominal

Fixed assets as at 31st March, 1956.

	Rs.
Gross Block	52,98,167
Less Depreciation	6,61,293
Nett Block ...	46,36,874

GNANAMBIKAI MILLS LTD.

(Regd. in 1935)

Registered Office ... Vellakkinar, Coimbatore.

Managing Agents ... Messrs. V. C. Vellingiri Gounder & Bros.

		Rs.	Rs.
Capital: Equity	... 9,272 Shares of Rs. 100 each ...	9,27,200	
Preference	... 207 (6½% C.T.F.) Shares of Rs. 100 each	20,700	
			9,47,900

Reserve Fund ... General 2,75,683

Bonus Issue ... In 1948, Rs. 4,63,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDEND paid in May.

Dividends ...

Sep. 1950 ...	6%	1953 ...	6%
Dec. 1950 ...	2½% (3 months)	1954 ...	10%
31st Dec. 1951	9%	1955 ...	12%
„ 1952	6%	1956 ...	16%

Present Equipment ... Number of Spindles **17248**

Products Manufactured.. 20s to 60s counts Cotton & Staple Fibre yarn.

Additions and Proposed Expansions Additions during the year: Electricals Rs. 16,173. Buildings Rs. 1,09,030 and Machinery Rs. 1,15,073.

Note ... Have a Power Generator to supplement 35% of their Power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. 68 nP. 95

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block	128 26	per share.
2. Surplus of Liquid Assets over Liabilities	2 69	„
Total ...	130 95	„

Current Market Price: Rs. 135.00 **Yield on Last Dividend:** 11.85% Tax free.

Gnanambikai Mills Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	10,682	11,310	13,175	14161
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	1,91,460	2,84,523	3,16,620	4,42,141
Profit per Spindle based on the above...	17-14-9	25-2-6	24-0-6	31.22
Allocation to Depreciation ...	86,309	85,690	78,690	1,31,127
Allocation to Taxation ...	48,542	1,04,767	1,25,321	1,50,000
Nett Tax-free Earnings on Ordinary Capital after preference dividend ...	55,263	92,720	1,11,264	1,59,669
Percentage of Nett Tax-free Earnings on Ordinary Capital ...	6·0%	10%	12%	17·22%
Allocation to Reserves ...	...	...	...	...
Carry Forward ...	...	...	...	11,316
Dividend on Ordinary Shares (Present Capital) ...	6%	10%	12%	16%
Dividend on Capital issued for Cash ...	12%	20%	24%	32%
Highest and Lowest Prices of Shares ...	75-87	75-98	115-98	

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	21,78,278
Less Depreciation...	9,89,071
Nett Block ...	11,89,207

THE HEMALATHA TEXTILES LTD.

(Regd. in 1947)

Registered Office ... "Ralli House" 320, Linghi Chetty Street, Madras-1.

Managing Agents ... Messrs. Sudarsanam (Private) Ltd., Madras.

		Rs.	Rs.
Capital: Equity	... 1,50,000 Shares of Rs. 10 each	15,00,000	
Preference	... 4,306 (5% C.T.F.) Shares of Rs. 100 each	4,30,600	
			19,30,600
Reserve Fund:	... General		1,00,000
Debentures	... Mortgage Loan from the Government of Andhra (Outstanding as on 30th June, 1957) ...		2,11,602

Accounts ... Closed as at 30th June and submitted in December.

Dividends: ... 1957 — 6%

Present Equipment ... Number of Spindles **12,000**

Products Manufactured Cotton Yarn 20s and 32s.

Additions & Proposed Expansions ... Erection of additional carding engines, drawing frames and simplex fly frame was completed.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. nP. 122 94

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block	9 83	per share.
2. Surplus of Liquid Assets over Liabilities	1 18	,,
Nett Value ...	11 01	,,

Current Market Price... Rs.9.75 CD.

Yield on last Dividend 6.1%

The Hemalatha Textiles Ltd. – (*contd.*)

ANALYSIS OF WORKING

As at 30th June	1954	1955	1956	195
Number of Spindles worked per shift of 8 hours	11,275	11,598	11,773	11,773
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	1,81,020	4,06,197	6,61,441	4,90,244
Profit per Spindle based on the above	16–0–11	35–0–4	56·18	41.78
Allocation to Depreciation ...	1,78,901	1,56,879	73,103	2,37,317
Allocation to Taxation ...	...	...	...	20,000
Nett Tax-free Earnings on Ordinary Capital	2,119	1,63,198	5,66,808	2,11,397
Percentage of Nett Tax-free Earnings on Ordinary Capital ...	0·16%	12·29%	37·79%	14.1%
Allocation to Reserve	...	...	...	1,00,000
Carry Forward	*Loss* 7,22,966	*Loss* 4,73,648	7,040	28,437
Dividend on Ordinary Shares ...	Nil	Nil	Nil	6%
Highest and Lowest Prices of Shares	4/0–3/8	5/8–1	7.75–5·50	9.75–7.75

* Nominal.

Fixed assets as at 30th June 1957

	Rs.
Gross Block	28,36,547
Less Depreciation	13,61,304
Nett Block ...	14,75,243

THE JANAKIRAM MILLS LTD.

(Regd. in 1943)

Registered Office ... Rajapalayam.

Managing Agents ... The Shakthi, (Private) Ltd.

Capital : Equity		Rs.	Rs.
...	51,115 Shares of Rs. 10 each ...	5,11,150	
	30,000 Shares of Rs. 5 each ...	1,50,000	
		6,61,150	
	Less calls in arrears	20,092	
			6,41,058

Debentures ... Mortgage Loan from Bank 1,47,921

Bonus Issue ... In December 1951, Rs. 1,50,000 was capitalised out of Reserves for distribution as shares of Rs. 5 fully paid in the proportion of one share (Rs. 5 paid) free for every (Rs. 10 paid) share held.

Accounts ... Closed as at 30st March — DIVIDEND paid in December

Dividends ...			
1951	... 15%	1954	... Nil
1952	... 6%	1955	... 6%
1953	... Nil	1956	... 8%

Present Equipment ... Number of Spindles **5,224** Number of Looms **99**

Products Manufactured Spinning 20s Yarns and manufacture Grey Medium Gada Cloth Calendered, in widths from 30″ to 50″

Additions and Proposed Expansions Additional building for reeling is being constructed. Further expansion is going on to house a total of 10,000 spindles.

		Rs.	nP.
Capitalisation ...	Taking Nett Block : Per Spindle ...	112	53
	Per Loom ...	2,250	60

(Rs. 10 paid-up)

Break-up-value of Ordinary share in relation to		Rs.	nP.	
	1. Nett Block	12	26	per share.
	2. Excess of Liabilities over Liquid Assets	4	84	,,
	Nett Value ...	7	42	

Current Market Price : Rs. 7.50 **Yield on last Dividend** 10.66%

The Janakiram Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

	June 1953	June 1954	June 1955	March 1956
Number of Spindles worked per shift of 8 hours	2,500	2,512	2,722	2,535
Number of Looms worked per shift of 8 hours	99	84	**	68·7
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	*Loss* 1,79,357	*Loss* 22,312	89,642	1,62,212
PROFIT per SPINDLE based on the above ...	Nil	Nil	32-14-11	41.64
Allocation to Depreciation	30,238	1,03,116	51,198	61·842
Allocation to Taxation	...	...	...	...
NETT TAX-FREE EARNINGS on Ordinary Capital	*Loss* 2,09,595	*Loss* 1,25,428	38,445	1,00,370
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	...	...	6·03%	15·18%
Allocation to Reserves	...	...	Nil	...
Carry Forward	*Loss* 2,08,747	*Loss* 3,34,175	*Loss* 2,95,504	*Loss* 1,50,236
DIVIDEND on Ordinary Shares (Present Capital)	...	...	6%	8%
Highest and Lowest Prices of Shares ...	7*	7*	7*	7.50*

* Nominal

Fixed assets as at 31st March, 1956.

	Rs.
Gross Block	12,88,534
Less Depreciation	4,77,855
NETT BLOCK ...	8,10,679

** Weaving section remained closed from 25-6-1954 to 1-4-1955. Since the stock of cloth had to be sold at below cost, working of the Weaving Department resulted in a loss of Rs. 1,30,914. Profit in the Spinning section was Rs. 1,69,359.

JANARDANA MILLS LTD.

(REGD. IN 1934)

Registered Office	... Uppilipalayam Road, Coimbatore.			
Managing Agents	... Messrs. G. Venkataswamy Naidu & Co.			Rs.
Capital : Equity	... 17,800 Shares of Rs. 50 each			8,90,000
			Rs.	
Reserve Funds	... General		8,55,968	
	Dividend Equalisation		1,09,715	
	Machinery Replacement ...		1,00,000	
				10,65,683

Bonus Issue ... In 1947, Rs. 4,45,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDEND paid in July.

Dividends ...

1949	... 16%	1953	... 9%
1950	... 10%	1954	... 10%
1951	... 15%	1955	... 20%
1952	... 7½%	1956	... 20%

Present Equipment ... Number of Spindles 24,648

Products Manufactured Cotton Yarn of 80s, 36s, 30s, and 20s, and Staple Fibre Yarns of 20s and 2/20s.

Additions Proposed Expansions Orders have been placed for preparatory machinery valued at Rs. 1,75,000. These are expected to be received and installed before the end of the year.

Note ... ... The Mills have installed a 200 KVA Diesel Generating set which will supplement 30% of their power requirements, when put to working.

		Rs. nP.
Capitalisation	... Taking Nett Block : Per Spindle ...	46 37

		Rs. nP.	
Break-up-value of Ordinary share in relation to	Nett Block	64 21	per share
	Surplus of Liquid Assets over Liabilities	45 65	,,
	Total ...	109 86	,,

Current Market Price: Rs. 79.00 **Yield on Last Dividend**: 12.66% Tax free

Janardana Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	19,538	22,818	21,376	21,376
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	1,67,701	4,39,428	5,47,238	5,56,875
Profit per Spindle based on the above...	8-9-4	19-4-2	25-7-2	26·05
Allocation to Depreciation ...	1,10,357	2,26,182	1,73,490	1,49,072
Allocation to Taxation	...	...	...	2,10,687
Nett Tax-Free Earnings on Ordinary Capital	57,344	2,08,078	3,73,748	1,97,116
Percentage of Nett Tax-free Earnings on Ordinary Capital	6·44%	23·4%	41·99%	22·15%
Allocation to Reserves	...	...	54,400	...
Carry Forward	*Loss* 2,01,636	*Loss* 50,124	2,079	...
Dividend on Ordinary Shares (Present Capital)	9%*	10%	20%	20%
Dividend on Capital issued for Cash ...	18%	20%	40%	40%
Highest and Lowest Prices of Shares ...	63–69	85–63	92–72/8	129–83

* Dividend paid drawing from the Dividend Equalisation Fund.

Fixed assets as at 31st December, 1956.

		Rs.
Gross Block	... ...	31,40,455
Less Depreciation	... ...	19,97,477
	Nett Block ...	11,42,978

THE JAWAHAR MILLS LTD.

(Regd. in 1937)

Registered Office	Salem Junction.		
Managing Agents	Messrs. Umaiyambika & Co.	Rs.	Rs.
Capital: Equity	1,78,000 Shares of Rs. 5 each.	8,90,000	
	5,000 Shares of Rs. 10 each	50,000	
			9,40,000
Debentures	Outstanding as on 31-12-1955		4,16,000
		Rs.	
Reserve Funds	General	6,00,000	
	Dividend Equalisation	3,75,000	
	Debenture Redemption	4,28,475	
	Contingency	1,00,000	
			15,03,475

Bonus Issue ... In 1948, Rs. 4,20,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in April.

Dividends ...

1949	7½%	1953	7½%
1950	7½%	1954	12½%
1951	7½%	1955	12½%
1952	6¼%	1956	25%

Present Equipment ... Number of Spindles 46,932*

* Installed Capacity of the unit at Salem is 34,452 spindles and Chettinad unit 12,480 spindles.

Products Manufactured.. 10s to 80s in Salem and 80s and 100s in Chettinad.

Additions and Proposed Expansions ... Erection of the unit at Chettinad was completed to commence production on a small scale in the end of January 1957 and to commence full production from third quarter of 1957. Building for Cone Winding section under construction.

Note ... The Mills have two Power Generating sets of 413 K.W., which will supplement about 50% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block : Per Spindle ... Rs. n 78 1

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block ...	19	55	per shar
2. Excess of Liabilities over Liquid Assets	6	46	,,
Nett Value ...	13	09	,,

Current Market Price: Rs. 13.40 **Yield on Last Dividend:** 9.34% Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	27,498	32,555	31,745	30,132
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	4,17,277	12,94,805	11,26,531	15,47,344
Profit per Spindle based on the above ...	15-2-10	39-12-4	35-7-9	51·35
Allocation to Depreciation ...	2,64,363	3,79,724	2,34,762	2,26,057
Allocation to Taxation ...	...	4,42,936	3,30,000	6,30,000
Nett Tax-free Earnings on Capital ...	1,52,914	4,70,939	5,61,769	6,91,287
Percentage of Nett Tax-free Earnings on Capital ...	18·2%	52·91%	59·76%	73·54%
Allocation to Reserves ...	40,000	2,45,373	3,97,682	5,25,000
Carry Forward ...	...	43,973	83,416	14,703
Dividend on Ordinary Shares (Present Capital) ...	7·5%	12·5%	12·5%	25%
Dividend on Capital issued for Cash ...	15%	25·0%	25%	50%
Highest and Lowest Prices of Shares ...	5/2-4/7	7/10-4/8	9-8-7-2	15.50-9.00

Fixed assets as at 31st December, 1956

	Rs.
Gross Block ...	68,02,284
Less Depreciation ...	31,27,286
Nett Block ...	36,74,998

THE JAYALAKSHMI MILLS PRIVATE LTD.

(Regd. in 1942)

Registered Office	... Uppilipalayam, Singanallur, Coimbatore Dt.		
Managing Agent	... Sri R. Venkataswamy Naidu, B.Sc., Tech. (Manchester).		
			Rs.
Capital Equity	... 7,000 Shares of Rs. 100 each		7,00,000
		Rs.	
Reserve Funds	... General	23,569	
	Machinery Replacement	20,000	
			43,569

Accounts ... Closed at 31st March. DIVIDENDS paid in August.

Dividends					
... Dec.	1949 ...	3%	March	1954 ...	Nil
... „	1950 ...	3%	„	1955 ...	10%
... March	1952 ...	3%*	„	1956 ...	10%
... „	1953 ...	Nil	„	1957 ...	10%

* (for 15 months).

Present Equipment ... Number of Spindles 21,112

Have also one second-hand Blanket Loom 90" and one second-hand Raising Machine.

Products Manufactured... Cotton Yarn of 20s to 60s and Staple Fibre Yarn of 20s to 40s.

Additions & Proposed Expansions In 1956-57 additions to buildings were for Rs. 24,000. Also erected 1,376 spindles and preparatory machines worth Rs. 4,60,358. Proposed additions: are buildings to the tune of Rs. 2,00,000 and 3704 spindles with preparatory machinery to cost about Rs. 4,75,000/-. Have also a Licence for 12,000 spindles for Staple Fibre spinning.

Note ... The Mills have a Diesel Power Generating set of 100 K. W. which will supplement 35% of their power requirements when put to working.

		Rs.	nP.
Capitalisation	... Taking Nett Block: Per Spindle ...	58	38

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	176	09	per share.
	2. Excess of Liabilities over Liquid Assets	67	55	„
	Nett Value ...	108	54	„

Current Market Price: Rs. 100 **Yield on Last Dividend:** 10% Tax Free.

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	7,895	12,451	13,911	15,363
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	2,11,851	4,70,204	4,66,412	6,44,672
Profit per Spindle based on the above ...	26 13 4	37 8 2	31 9 11	41·96
Allocation to Depreciation	2,28,304	2,73,165	4,02,983	4,05,251
Allocation to Taxation	Nil	63,713	48,000	1,55,032
Nett Tax-Free Earnings on Capital ...	*Loss* 16,453 }	70,000	89,048	84,509
Percentage of Nett Tax-free Earnings on Capital	...	10%	12·72%	12·07%
Allocation to Reserves	...	...	...	...
Carry Forward	*Loss* 57,801 }	...	360	14,742
Dividend on Ordinary Shares (Present Capital)	...	10%	10%	10%
Highest and Lowest Prices of Shares ...	100†	100†	100†	100†

† Nominal.

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	33,52,625
Less Depreciation	21,20,016
Nett Block ...	12,32,609

THE KADRI MILLS (CBE) LTD.

(REGD. IN 1946)

Registered Office ... Oddarpalayam, Singanallur-(Coimbatore).

Managing Agents ... Messrs. G. Krishna & Co., Coimbatore

		Rs.	Rs.
Capital: Equity	... 11,000 Shares of Rs. 100 each ...	11,00,000	
	10,000 Shares of Rs. 10 each ...	1,00,000	
			12,00,000
Debentures:	... Mortgage loan from Madras State ...		3,33,156
Reserve Funds	... General	2,00,000	
	Dividend Equalisation	40,000	
			2,40,000

Accounts ... Closed as at 31st December. DIVIDENDS paid in September.

Dividends ...

1950 ...	3%	1954 ...	12%
1951 ...	15%	1955 ...	15%
1952 ...	3%	1956 ...	15%
1953 ...	12%		

Present Equipment ... Number of Spindles

Ring	... 25,940		
Doubling	... 648		
		26,588	

They have also six Gins.

Products Manufactured Cotton Yarn of 20s, 40s, 60s, 80s, and 100s on cones. 2/20, 2/40s, 2/60s, 2/80s and 2/64s on hanks. Staple Fibre Yarn 40s and 20s.

Additions and Proposed Expansions Additions in 1956: Buildings Rs. 1,74,502 Machinery 8,62,743. Added 2,480 Spindles Ring, 648 Doubling Spindles, and eight Combers, with preparatory machinery. Propose to add 2,480 Spindles.

Note: ... They have a power Generator to supplement 25% of their power requirements when put to working.

		Rs.	nP.
Capitalisation	... Taking Nett Block: Per Spindle ...	86	11

(Rs. 100 Paid)

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	190	80	per share.
	2. Excess of Liabilities over Liquid Assets	66	46	,,
	Nett Value ...	124	34	,,

Current Market Price ... Rs. 162.00 **Yield on Last Dividend:** 9.26% Tax-free

The Kadri Mills (CBE) Ltd.—(*contd.*)

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	17,973	18,623	18,402	20,446
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	7,96,048	11,72,129	6,30,117	4,53,133
PROFIT per SPINDLE based on the above ...	44-4-8	62-15-2	34-2-11	22.16
Allocation to Depreciation	5,29,808	5,92,689	3,20,236	2,27,640
Allocation to Taxation	1,20,000	3,40,000	1,25,000	25,000
NETT TAX-FREE EARNINGS on Capital ...	1,46,240	2,39,440	1,96,526	1,51,403
PERCENTAGE OF NETT TAX-FREE EARNINGS on Capital	12·2%	19·96%	16·38%	12·62%
Allocation to Reserves	...	1,07,125	...	...
Carry Forward	13,594	1,946	10,731	2,159
DIVIDEND on Ordinary Shares ...	12%	12%	15%	15%*
Highest and Lowest Prices of Shares ...	150-110	145-130	185-145	180-175

* Dividend paid drawing Rs. 20,00 from the Dividend Equalisation Fund.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	58,48,857
Less Depreciation	35,59,290
NETT BLOCK ...	22,89,567

KALEESWARAR MILLS LTD.

(REGD. IN 1906)

Registered Office ... Coimbatore

General Manager ... Sri P. S. S. Somasundaram Chettiar

		Rs.	Rs.
Capital : Equity	6,500 Shares of Rs. 100 each ...	...	6,50,000
Debentures :	... Mortgage Loans (Outstanding as on 31-12-1956)...		11,21,381

Accounts ... Closed as at 31st December and submitted in June.

Dividends ...

1949	... Nil	1953	... Nil
1950	... Nil	1954	... Nil
1951	... Nil	1955	... Nil
1952	... Nil	1956	... 10%

Present Equipment ... Number of Spindles **50,640**. Number of looms **310**

Products Manufactured Cotton yarn of 60s, 40s, 30s and 20s Staple Fibre yarn of 40s, 30s and 20s and Cloths, Mulls, Longcloth, Dhoties, Towels and Gada.

Additions and Proposed Expansions Proposed Expansions are 50 Looms and Conversion of Ring Frames from band to tape drive.

Capitalisation ... Taking Nett Block :

	Rs.	nP.
Per Spindle	24	70
per Loom	494	00

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	216	02	per share
2. Excess of Liabilities over Liquid Assets	94	33	,,
Nett Value ...	121	69	,,

Current Market Price : Rs. 335 C.D   **Yield on Last Dividend ;** 3.00%

The Kaleeswarar Mills Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	33,226	36,382	41,669	41,669
Number of Looms workedper shift of 8 hours ...	282	240	266	266
Nett Profit before allowing for Depreciation and Taxation ...	Rs. Loss 2,41,469	Rs. Loss 10,66,520	Rs. 4,40,446**	Rs. 4,22,500
Profit per Spindle based on the above...	...	...	9-4-0	9-00
Allocation to Depreciation ...	...	3,40,000	1,35,353	1,16,537
Allocation to Taxation ...	...	...	68,191***	‡ 30,697
Nett Tax-Free Earnings on Ordinary Capital ...	Loss 2,41,469	Loss 14,06,520	2,37,902	2,75,266
Percentage of Nett Tax-Free Earnings on Ordinary Capital ...	...	...	36·6%	42.75%
Allocation to Reserve ...	...	...	...	...
Carry Forward ...	*	Loss 14,06,520	Loss 69,242 †	1,41,024
Dividend on Ordinary Shares (Present Capital) ...	...	...	...	10%
Highest and Lowest Prices of Shares ...	350-300	300-300	353-290	335-290

* Loss of Rs. 2,41,469 written off drawing from the General Reserve.

**After payment of Rs. 1,24,990-3-0 towards power cut compensation for 1952 and 1953, Rs. 89,599-3-0 towards compensation to operatives retrenched in 1948, Rs. 76,100-8-0 towards back wages to the staff and operatives, and Rs. 43,222-0-3 towards settlement of an old suit.

***On account of income-tax for 1948 in final settlement.

† Balance loss of Rs. 11,70,055 reduced to Rs. 69,242 by transferring Rs. 8,97,427 from General Reserve, Rs. 3,386 from Excess Provision for Bad Debts and Rs. 2,00,000 from Dividend Equalisation Reserve.

‡ Arrears of tax paid.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	51,29,919
Less Depreciation	37,25,784
Nett Block ...	14,04,135

SRI KANNAPIRAN MILLS LTD.

(REGD. IN 1946)

Registered Office ... Sowripalayam, Coimbatore.

Managing Agents ... K. Venkataswamy Naidu & Co.

		Rs.	Rs.
Capital : Equity ...	1,06,701 Equity Shares of Rs. 10 each	10,67,010	
	Less Calls in arrears time-barred	23,650	
			10,43,360
Debentures ...	Loan from Madras Industrial Investment Corporation (Outstanding as at 31-12-1956) ...		3,66,667

Note ... The Company issued in August 1956 Preference Capital to the tune of Rs. 4,00,000 and as the response was not satisfactory, they have cancelled the issue. They propose to issue 13,299 ordinary shares at par to the shareholders in the proportion of one new share for every eight shares held.

Reserve Funds ... General 3,55,823

Accounts ... Closed as at 31st December. DIVIDENDS paid in April.

Dividends ... 1954 ... 7½% 1956 ... 12%
1955 ... 10%

Present Equipment ... Number of Spindles : Ring 16,516
Doubling 704
17,220

Products Manufactured { Cotton Yarn of 30s to 80s (single, double and Cone Yarn) and Staple fibre Yarn of 40s.

Additions and Proposed Expansions } Propose to add a further 5768 Spindles in 1957.

Capitalisation ... Taking Nett Block : Per Spindle Rs. nP. 169 35

Break-up-value of Ordinary share in relation to		Rs. nP.	
	1. Nett Block	28 05	per share.
	2. Excess of Liabilities over Liquid Assets	14 64	,,
	Nett Value ...	13 41	,,

Current Market Price : Rs. 10.50. **Yield on last Dividend** : 11.43%

Kannapiran Mills Ltd.—(contd.)

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	11,495	12,772	11,844
	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation ...	4,68,770	3,91,391	5,07,184
PROFIT per SPINDLE based on the above ...	40–12–7	30–10–4	42·82
Allocation to Depreciation	2,12,087	1,93,077	1,82,006
Allocation to Taxation	...	...	...
NETT TAX-FREE EARNINGS on Capital ...	2,56,793	1,98,314	3,25,178
PERCENTAGE OF NETT TAX-FREE EARNINGS on Capital ...	26·5%	20·27%	31·12%
Allocation to Reserves	Nil	1,41,987	2,04,257
Carry Forward	43,332	...	...
DIVIDEND on Ordinary Shares	7·5%	10%	12%
Highest and Lowest Prices of Shares... ...	10*	10*	10*

* Nominal

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	36,68,424
Less Depreciation	7,42,108
NETT BLOCK ...	29,26,316

THE KAPILA TEXTILE MILLS LTD.

(REGD. IN 1945)

Registered Office ... Nanjangud (Mysore State).

Managing Agents ... Messrs. C. P. C. & Co., Gandhi Square, Mysore.

		Rs.	Rs.
Capital: Equity ...	2,69,800 Shares of Rs. 10 each	... 26,98,000	
Preference ...	5,881 (6% C.T.F.) Shares of Rs. 100 each	5,88,100	
	27,646 7½% (C.T.F.) II Pref. Shares of Rs. 10 each ...	... 2,76,460	
Deferred ...	1,00,250 Shares of Rs. 2 each	... 2,00,500	
		37,63,060	
	Less calls in arrears ...	... 1,03,000	
			36,60,060

Accounts ... Closed as at 30th June, and submitted in November-December.

Present Equipment ... Number of Spindles ... 15,184 Number of Looms ... 302

Products Manufactured. Cotton yarn - 10s to 40s. Cloth: Grey Long-Cloth, Gada and Drill.

Additions and Proposed Expansions Propose to construct a Bleaching Shed to house Bleaching and Dyeing Plant.

			Rs.	nP.
Capitalisation ...	Taking Nett Block: Per Spindle ...	...	209	86
	Per Loom ...	...	4197	20

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	15	34	per share.
	2. Excess of Liabilities over Liquid Assets	5	57	,,
	Nett Value ...	9	77	,,

Current Market Price: Rs. 6 (Nominal).

The Kapila Textile Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st June	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	11,598	12,464	12,500	12,500
Number of Looms worked per shift of 8 hours	...	20·8	50	116
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	88,717*	61,670	6,571	*Loss* 36,856
PROFIT per SPINDLE based on the above ...	7-10-5	4-12-7	0-7-9	...
Allocation to Depreciation ...	62,769	61,670	6,571	...
Allocation to Taxtian ...	...	...	...	...
NETT TAX-FREE EARNINGS on Capital ...	25,948*	...	...	*Loss* 36,856
PERCENTAGE OF NETT TAX-FREE EARNINGS on Capital	...	...	...	...
Allocation to Reserve	...	...	...	...
Carry Forward	...	...	...	*Loss* 36,856
DIVIDEND on Ordinary Shares (Present Capital)	...	...	...	...
Highest and Lowest Prices of Shares ...	8-6/7	8-6	7-6	7-6

* Set off against the previous year's loss.

Fixed assets as at 30th June, 1956.

		Rs.
Gross Block	...	45,76,174
Less Depreciation	...	1,31,011
NETT BLOCK	...	44,45,163

THE KARUR MILLS LTD

(Regd. in 1946)

Registered Office	... Thanthoni, Karur (Tiruchirapalli Dt.)			
Managing Agents	... Messrs. Meenakshi & Co.		Rs.	Rs.
Capital: Equity	... 5,744 Shares of Rs. 100 each	...	5,74,400	
	10,711 Shares of Rs. 10 each	...	1,07,110	
			6,81,510	
	Add Forfeited Shares (amount paid-up) ...		34,192	
				7,15,702
Debentures	... 5½% Tax-free (Outstanding as on 31-12-1955)	...		10,00,000
Reserve Fund	... Debenture Redemption	...		20,000
Accounts	... Closed as at 31st December and submitted in August.			
Present Equipment	... Number of Spindles	...		14,[illegible]
Products Manufactured	Grey Cotton Yarn of 10s, 20s, and 26s and Staple Fibre yarn of 20s, 40s, and 2/40s.			
Note ...	... The power supplied from the Hydro Electric System is sufficient for two shifts. The Mills have a 250 KVA Generating set to supplement their power requirements for working if and when there is power cut.			

			Rs. nP.
Capitalisation	... Taking Nett Block : Per Spindle	...	149 60

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	309 79	per share.
	2. Excess of Liabilities over Liquid Assets	226 56	,,
	Nett Value ...	83 23	,,

Current Marked Price: (Rs. 100 Paid) Rs. 75 Nominal

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
ıber of Spindles worked per shift of hours	7,312	9,600	11,526	10,628
	Rs.	Rs.	Rs.	Rs.
:t Profit before allowing for Depreciation and Taxation	40,915	18,793	Loss 1,26,196	1,20,703
›fit per Spindle based on the above ...	5-9-6	1-15-6	...	11·36
ocation to Depreciation	...	...	...	1,37,289
:tt Tax-free Earnings on Ordinary Capital	40,915	18,793	Loss 1,26,196	Loss 16,586
:rcentage of Nett Tax-free Earnings on Ordinary Capital	...	...	...	...
arry Forward	12	3,350	Loss 1,23,052	Loss 1,39,961
ıvidends on Ordinary shares (Present Capital)	...	...	...	...
ighest and Lowest Prices of Shares (Rs. 100 paid)	75*	75*	75–70	75*

* Nominal

Fixed assets as at 31st December, 1956.

			Rs.
Gross Block ...	...	...	... 23,54,491
Less Depreciation	...	...	... 1,37,289
		Nett Block ...	22,17,202

THE KASTHURI MILLS LTD.

(Regd. in 1938)

Registered Office	... Ondiputhur, Singanallur P. O., Coimbatore District.		
Managing Agents	... Messrs. C. N. Venkitapathy Naidu & Co., Ltd.		
Capital: Equity	... 31,200 Shares of Rs. 25 each	... ...	Rs. 7,80,000
Debentures	... Mortgage Loan from Bank	... ...	3,00,000
Reserved Funds	... Machinery Replacement ...	Rs. ... 2,25,000	
	Dividend Equalisation ...	... 26,400	
	Contingency ...	... 60,000	3,11,400
Bonus Issue	... In 1947, Rs. 4,68,000 was capitalised out of Reserves and distributed in the proportion of three Shares free for every two shares held.		
Accounts	... Closed as at 31st March.		

Dividends ... DIVIDENDS paid in September.

1950	5%	1954	6%
1951	6%	1955	7½%
1952	3%	1956	7½%
1953	Nil	1957	12%

Present Equipment ... Number of Spindles: Ring 18,414; Doubling 1,364 — 24,220

Have also a Mercerising Machine.

Products Manufactured Cotton Yarn 40s, 32s and 2/40s.

Additions and Proposed Expansions In 1956-57 built a new bundling and labing shed. Also added 2800 Spindles. Propose to add in 1957-58 a further 3200 spindles.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. nP. 57 37

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block	44 53	per share.
2. Excess of Liabilities over Liquid Assets	9 45	"
Nett Value ...	35 08	"

Current Market Price: Rs. 25.00

Yield on Last Dividend: 12.00 % Tax-free.

The Kasthuri Mills Ltd.—(Contd.)

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	14,328	15,591	17,256	19,778
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	2,83,105	2,76,375	2,64,351	5,47,028
Profit per Spindle based on the above ...	19-12-2	17-11-7	15-5-1	27·66
Allocation to Depreciation	92,131	2,31,963	1,78,716	2,38,487
Allocation to Taxation	...	...	27,000	1,51,938
Nett Tax-free Earnings on Capital ...	1,90,974	44,412	58,635	1,56,603
Percentage of Nett Tax-free Earnings on Capital	24·48%	5·7%	7·52%	20·08%
Allocation to Reserves	...	...	...	60,000
Carry Forward	10,537	49	184	3,187
Dividend on Ordinary Shares (Present Capital)	6%	7·5%†	7·5%	12%
Dividend on Capital issued for Cash ...	15%	18·75%	18·75%	30%
Highest and Lowest Prices of Shares ...	20-18	25-18	32/8-20	30.75-28

† Dividend paid drawing Rs. 3,600 from the Dividend Equalisation Fund.

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	31,09,699
Less Depreciation...	27,20,273
Nett Block ...	13,89,426

KOTHARI TEXTILES LTD.

(Regd. in 1937)

Mills ... ... Singanallur (Coimbatore).

Registered Office ... "Oriental Buildings," Armenian Street, Madras.

Managing Agents ... Messrs. Kothari & Sons.

		Rs.	Rs.
Capital: Equity	... 4,20,000 Shares of Rs. 10 each	... 42,00,000	
Preference	... 1,20,000 (6% C. T. F) Shares of Rs. 10 each	... 12,00,000	
	... 60,000 (6% C. T. F.) "B" shares of Rs. 10 each,	... 6,00,000	60,00,000

Note :— In September 1957, the Company issued 2,52,000 Equity Shares of Rs. 10 each at par in the proportion of 3 new shares for every 5 held.

Reserve Funds ...	General	... 8,00,000	
	Dividend Equalisation ...	... 2,25,000	
	Reconstruction ...	... 9,00,000	19,25,000

Bonus Issue ... In 1947, Rs. 10,00,000 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held. In May, 1951, the Company issued fresh capital, i.e., Rs. 9 lakhs preference and Rs. 9 lakhs ordinary at par. In June 1956 the Company issued 1,80,000 ordinary shares of Rs. 10 each, and 60,000 "B" 6% C. T. F. preferences of Rs. 10 each, both at par.

Accounts ... Closed as at 30th June. DIVIDENDS paid in December.

Dividends ...

1950 ...	7%	1954 ...	5%
1951 ...	7½%	1955 ...	10%
1952 ...	7½%	1956 ...	10%
1953 ...	5%	1957 ...	10%

Present Equipment ... Number of Spindles: Ring ... 41,040
Doubling 1,960
43,000.

Number of Looms ... **300**

Have also one set of 8 Combers. The Mills have also been humidified.

Products Manufactured Cotton Yarn of 100s (combed), 80s (combed) 2/84s, 2/64s, 60s first quality, 60s Spider Spun, 30s and 40s. Also 30s on cones. Staple Fiber yarn of 40s and 2/40s. Cloth : Mull.

Pdditions and Aroposed Expansions Have obtained a Licence for 24,000 spindles, to be erected in the second unit at K. Vadamadurai (seven miles from Coimbatore) where the necessary land has been acquired and construction of the building is going on. 12,000 spindles (out of the 24,192) are expected to arrive shortly and go into production by the middle of next year.

Note ... ... They have a Power Generator to supplement 20% of their power requirements when put to working.

Kothari Textiles Ltd.—(*Contd.*)

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 137 nP. 83
Per Loom ... ... Rs. 2,756 nP. 60

Break-up-value of Ordinary Share in relation to		Rs.	nP.	
	1. Nett Block	16	08	per share.
	2. Excess of Liabilities over Liquid Assets	1	28	„
	Nett Value ...	14	80	„

Current Market Price : Rs. 10.80 **Yield on Last Dividend :** 6.00% Tax-free.

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	24,000	27,668	26,630	33,347
Number of Looms worked per shift of 8 hours	190	196	195	238
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	5,58,322	17,75,924	12,23,720	11,37,246
PROFIT per SPINDLE based on the above ...	20-1-4	56-3-7	40-1-4	29·84
Allocation to Depreciation	3,50,000	14,50,000	5,99,160	5,78,916
Allocation to Taxation	...	...	...	30,000
NETT TAX-FREE EARNINGS on Ordinary Capital after preference dividend ...	2,08,322	2,59,324	5,52,560	4,28,580
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	5·7%	10·58%	23%†	10·20
Allocation to Reserves	Nil	4,546	3,00,000	Nil
Carry Forward	20,004	29,382	41,942	91,772
DIVIDEND on Ordinary Shares (Present Capital)	5%	10%	10%	10%
DIVIDEND on Capital issued for Cash ...	8·57%	17·14%	17·14%	15·54%
Highest and Lowest Prices of Shares ...	14/4-10	18/8-10	22/4-16/12	15.81-11.25

† On the Ordinary Capital of Rs. 24,00,000 as at 30th June 1956.

Fixed assets as at 30th June, 1957.

		Rs.
Gross Block ...	... ...	1,05,81,567
Less Depreciation	... ...	38,28,076
	NETT BLOCK ...	67,53,491

THE KUMARAN MILLS LTD.

(REGD. IN 1939)

Registered Office ... No. 875, Avanashi Road, Peelamedu (Coimbatore).

Managing Agents ... Messrs. N. Appuswamy Naidu & Co.

		Rs.	Rs.
Capital : Equity ...	4,000 Shares of Rs. 100 each ...	4,00,000	
	4,000 "B" Shares of Rs. 75 each ...	3,00,000	
	2,138 shares of Rs. 100 each Rs. 50 called up ...	1,06,900	
			8,06,900
Debentures :	Equitable Mortgage loan ...		1,73,936
Reserve Fund ...	Machinery Replacement		2,05,401

Bonus Issue ... In 1947, Rs. 3,00,000 was capitalised out of Reserves and distributed in the proportion of one "B" Share (Rs. 75 paid) free for every share (Rs. 100 paid) held. In June 1956, 3000 Equity shares of Rs. 100 each were issued at par, of which 2,138 shares had been taken up as at 31-12-56.

Accounts ... Closed as at 31st December. DIVIDENDS paid in June.

Dividends ...

1949 ...	6%	1953 ...	6%
1950 ...	7%	1954 ...	7½%
1951 ...	6%	1955 ...	9%
1952 ...	Nil	1956 ...	12%

Present Equipment ... Number of Spindles **19,044**

Products Manufactured Cotton Yarn of counts 20s, 36s, 40s, 60s and 80s, and Staple Fibre Yarn 20s.

Additions and Proposed Expansions Built 25,260 sq. ft. area of buildings and also added 2,940 spindles. Propose to add a further 5,880 spindles.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 102 nP. 85 (Rs. 100 paid)

Break-up-value of Ordinary share in relation to		Rs.	nP.	
	1. Nett Block	217	95	per share.
	2. Excess of Liabilites over Liquid Assets.	115	59	„
	Nett value ...	102	36	„

Current Market Price : (Rs. 100 paid) Rs. 120. **Yield on Last Dividend :** 10% Tax-free

The Kumaran Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	8,237	11,505	10,833	13,496
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	1,46,340*	4,33,302	2,48,540	4,32,317
Profit per Spindle based on the above ...	17-12-3	37-10-7	22-15-0	31·30
Allocation to Depreciation	69,000	2,68,478	1,73,027	3,06,461
Allocation to Taxation	...	...	...	20,000
Nett Tax-free Earnings on Capital ...	...	1,64,824	75,513	95,836
Percentage of Nett Tax-free Earnings on Capital	...	23·56%	10·8%	11·88%
Allocation to Reserves	...	...	...	...
Carry Forward	643*	12,967	5,480	13,633
Dividend on Ordinary Shares (Present Capital)	6%*	7·5%	9%	12%
Dividend on Capital issued for Cash ...	10·75%	12·875%	15·75%	19·12%
Highest and Lowest Prices of Shares ...	90 (Nominal)	100 (Nominal)	100 (Nominal)	120–100

* The Company had a loss of Rs. 1,55,328 carried over from 1952. Out of the profits of 1953, the Company allocated Rs. 69,000 for normal depreciation, paid a 6% dividend, appropriated Rs. 55,328 towards part of 1952 loss, and carried forward Rs. 643, still leaving a loss of Rs. 1,00,000 to be written off.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	33,52,956
Less Depreciation	13,94,340
Nett Block...	19,58,616

SRI KRISHNARAJENDRA MILLS LTD.

(Regd. in 1920)

Registered Office ... Bangalore Road, Mysore.

Managing Director and Chairman Sri H. N. Pallegar, M.A., LL.B., I.A.S.

Capital: Equity ... 73,394 Shares of Rs. 50 each ... ... Rs. 36,69,700

Reserve Funds ...

		Rs.	Rs.
General	...	7,75,000	
Cotton Fluctuation ...	...	2,35,000	
Dividend Equalisation ...	...	7,00,000	
Development Reserve ...	...	3,16,385	
			20,26,385

Bonus Issue ... The shares which were originally Rs. 50 fully paid were reduced to Rs. 25 fully paid-up in 1926 under the Capital Reduction Scheme. In 1948, the Capital was increased to the present figure by capitalising part of the Reserves and adding Rs. 25 per share to the Rs. 25 paid shares, thus making them again, Rs. 50 fully paid-up.

Accounts ... ... Closed as at 31st March. DIVIDENDS paid in July.

Dividends ...

June 1950	... 8%	March 1954	... 9%
March 1951	... 6%	,, 1955	... 10%
,, 1952	... 6%	,, 1956	... 14%
,, 1953	... 8%	,, 1957	... 14%

Present Equipment ... Number of Spindles ... **43,008** Number of Looms ... **292**

They have also a Bleaching and Dyeing Section and a Hosiery Unit.

Products Manufactured Cotton Yarn both single and doubles from 10s to 40s, Staple Fibre Yarn of 20s and 2/40s; Cotton cloth such as Chaddars, Longcloth, Dhoties, Towels, Striped Shirtings and Coatings.

Additions and Proposed Expansions Out of 12,000 Spindles licensed, 9240 have been erected and are working. Balance 2940 spindles are expected to go into production shortly. Have obtained licence for 96 Automatic looms. Orders have been placed for 24 Texmaco Automatic looms and licence is awaited for importing the balance 72 looms from Japan.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. nP. 52 40; Per Loom 1048 00

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block	34 87	per share.
2. Surplus of Liquid Assets over Liabilities ...	56 62	,,
Total ...	91 49	,,

Current Market Price: Rs. 83.00 **Yield on Last Dividend:** 8.43% Tax-free

Sri Krishnarajendra Mills Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per Shift of 8 hours	24,230	28,822	29,603	30,159
Number of Looms worked per shift of 8 hours	284	286	288.4	288.1
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	9,19,789	17,72,182	24,41,095	18,04,153
Profit per Spindle based on the above ...	30-12-0	51-4-11	69-0-3	50.23
Allocation to Depreciation	4,32,000	6,00,000	5,46,060	4,83,615
Allocation to Taxation	1,12,291	5,44,000	10,00,000	5,40,000
Nett Tax-free Earnings on Capital ...	3,75,498	6,28,182	8,95,035	7,80,538
Percentage of Nett Tax-free Earnings on Capital	10·23%	17.12%	24·4%	21.27%
Allocation to Reserves	42,368	2,65,000	3,00,000	3,16,385
Carry Forward	26,144	27,871	1,09,148	19,543
Dividend on Ordinary Shares (Present Capital)	9%	10%	14%	14%
Highest and Lowest Prices of Shares ...	74/8-51/4	91-74 CD	129-89/8	110-96

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	96,26,665
Less Depreciation	70,67,094*
Nett Block ...	25,59,571

* Includes Capital reduction of Rs. 9,68,789-8-11.

THE LAKSHMI MILLS COMPANY LTD.

(Regd. in 1910)

Registered Office ...	Pappanaickenpalayam, Coimbatore.		
Managing Agents ...	Messrs. G. Kuppuswami Naidu & Co.	Rs.	Rs.
Capital: Equity ...	1,40,587 Shares of Rs. 50 each fully paid	70,29,350	
	1,40,587 Shares of Rs. 25 each fully paid	35,19,925	
			1,05,49,275

Note ... The Company issued at par 71,282 shares of Rs. 50 each and 71,282 shares of Rs. 25 each and the entire issue had been subscribed for by shareholders as at 31-3-1957, excepting for Rs. 78,800 which has been allotted to M/s. G. Kuppuswami Naidu Charity Trust in June, 1957.

Reserve Funds ...

	Rs.	
General		
Machinery Replacement ...	... 14,00,000	
Deferred Dividend Reserve	... 24,00,000	
Depreciation... ...	... 13,25,960	
Cotton fluctuation ...	... 5,30,000	
	... 10,00,000	
		66,55,960

Bonus Issue ... Of the above Equity share 23,282 shares of Rs. 50 each, of which Rs. 25 per share, 36,000 of Rs. 50 each, and 71,282 "A" class shares of Rs. 25 each were all issued as Bonus. Therefore total capitalisation of Reserves and distribution of bonus shares was to the tune of Rs. 41,64,100

Accounts... ... Closed as at 31st March. **DIVIDENDS paid in July/August.**

Dividends ...

1950	... 8%	**1954**	... **20%**
1951	... 8%	**1955**	... **25%**
1952	... 10%	**1956**	... **25%**
1953	... 10%	**1957**	... **20%***

* on increased capital

Present Equipment ... Number of Spindles... **1,06,908** Number of Looms ... **200**

Products Manufactured Cotton Yarn 2/20s, 20s, 26s, 40s, 60s, 80s and 100s. Stable Fibre Yarn of 20s and 40s. Cloth: LMC 21 and 22 Medium Gada and Longcloth.

Additions and proposed Expansions In 1956-57 expansions were to the tune of Rs. 8,57,104 in Buildings and Rs. 43,88,879 in Machinery. Actual additions in 1956-57 were 13,440 Spindles. Propose to add a further 4,200, spindles, with expansions to buildings to cost Rs. 8,00,000 and machinery Rs. 5,00,000.

Note ... ... They have two Mills, one in Coimbatore and another at Kovilpatti. They have 3 Generating Sets to supplement 40% (totally both in Coimbatore and Koilpatti) of their power requirements when put to working.

The Lakshmi Mills Co., Ltd.—*(contd.)*

			Rs. nP.
Capitalisation ...	Taking Nett Block : Per Spindle ...	...	86 46
	Per Loom ...	...	1,727 20

(Rs. 50 paid).

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	45 87	per share.
	2. Surplus of Liquid Assets over Liabilities	36 17	,,
	Total ...	82 04	,,

Current Market Price: (Rs. 50 paid) Rs. 107. **Yield on Last Dividend**: 9·34% Tax-free

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours ...	75,566	76,236	84,658	92,993
Number of Looms worked per shift of 8 hours ...	198	199	198	198
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	41,63,007	44,85,449	59,40,193	53,47,548
Profit per Spindle based on the above ...	52-3-7	55-14-8	67-0-6	55·16
Allocation to Depreciation	10,95,174	11,40,382	20,26,378	21,72,319
Allocation to Taxation	8,87,147	17,00,000	19,00,000	17,00,000
Nett Tax-free Earnings on Capital ...	20,80,756	16,45,067	20,13,815	14,75,229
Percentage of Nett Tax-free Earnings on Capital	38·92%	30·77%	37·7%	14%
Allocation to Reserves	10,00,000	3,25,960	Nil	Nil
Carry Forward	25,793	8,362	6,51,654	4,183
Dividend on Ordinary Shares (Present Capital)	20%	25%	25%	20%*
Dividend on Capital issued for Cash ...	90·4%	113%	113%	33·04%
Highest and Lowest Prices of Shares (Rs. 50 Paid)	144-81/8	163-140	287.50-174	†265-128

* On the increased Capital. † cum-rights.

Fixed assets as at 31st March, 1957.

			Rs.
Gross Block ...	...	...	... 2,12,83,797
Less Depreciation	...	...	... 1,17,05,975
		Nett Block ...	95,77,822

THE LOTUS MILLS LTD.

(Regd. in 1936)

Registered Office ... Sundarapuram, Podanur.

Managing Agents ... Lotus Agency Private Ltd.

			Rs.
Capital: Equity	... 7,000 Shares of Rs. 100 each		... 7,00,000
Debentures	... Mortgage loan		7,52,494
		Rs.	
Reserve Funds	... General ...	... 2,75,000	
	Dividend Equalisation ...	... 1,000	
			2,76,000

Accounts ... Closed as at 31st December.

Dividends ... Dividends paid in May.

31st March 1950 ...	7½%	31st Dec. 1953 ...	3%
,, 1951 ...	12%	,, 1954 ...	6%
31st Dec. 1951 ...	10%	,, 1955 ...	*Nil.*
,, 1952 ...	10%	,, 1956 ...	6%

Present Equipment ... Number of Spindles **19,488**

Products Manufactured. Cotton Yarn of 20s to 32s, 2/20s and 2/30s, and 20s on cones.

Additions and Proposed Expansions { Buildings for housing 12,000 Spindles completed. 6,000 Spindles, complete from Blow room, are being erected.

Note ... The Power Generator will supplement about 50% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle Rs. 40 nP. 14

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block ...	111	75	per share.
2. Surplus of Liquid Assets over Liabilities	38	90	,,
Total ...	150	65	,,

Current Market Price: Rs. 110. **Yield on Last Dividend** 5.55% Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	17,394	17,186	17,608	16,917
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	66,037	1,20,719	*Loss* 28,571	3,55,743
Profit per Spindle based on the above ...	3-12-9	6-12-5	Nil	21.03
Allocation to Depreciation ...	82,773	92,281	54,173‡	1,12,672
Allocation to Taxation ...	Nil	Nil	Nil	35,000
Nett Tax-Free Earnings on Capital ...	*Loss* 16,736	28,438	Nil	2,08,071
Percentage of Nett Tax-free Earnings on Capital ...	Nil	9·48%	Nil	29·72%
Carry Forward ...		*Loss* 5071	*Loss* 33,642	78,256
Allocation to Reserves ...	Nil	Nil	Nil	Nil
Dividend on Ordinary Shares (Present Capital) ...	3%	6%*	Nil	6%
Highest and Lowest Prices of Shares ...	110†	110†	110†	110 †

*Dividend paid drawing from the Dividend Equalisation Fund. †Nominal.

‡Provided out of the profit for 1956.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	19,52,126
Less Depreciation	11,69,887
Nett Block ...	7,82,239

LOYAL TEXTILE MILLS LTD.

(Regd. in 1946)

Registered Office ... Kovilpatti.

Managing Agents ... Thiagaraja Chetty & Sons (Private) Ltd., Mathurai.

		Rs.	Rs.
Capital: Equity	... 63,142 Shares of Rs. 50 each	31,57,100	
Preference	... 15,000 (5% C. T. F.) Shares of Rs. 100 each	15,00,000	
Deferred	... 40,000 Shares of Rs. 5 each	2,00,000	
		48,57,100	
	Less calls in arrears (Rs. 550 on preference and Rs. 6,550 on Equity Capital)	7,100	
			48,50,000
Debentures	... From Industrial Finance Corporation of India (obtained in 1957/58) ...		18,00,000

Accounts ... Closed as at 30th June.

Dividends

DIVIDENDS paid in April.

1949 ...	3%	1953 ...	*Nil.*
1950 ...	3%	1954 ...	4%
1951 ...	4%	1955 ...	5%
1952 ...	4%	1956 ...	7½%

Present Equipment ... Number of Spindles ... 30,702 Number of Looms ... 224

Products Manufactured Single Yarn 10s to 60s and Grey Gadas, medium and fine. Also Spinning Staple Fibre Yarn.

Additions and Proposed Expansions Erection of a New Mill of 12,000 spindles is in progress, by getting a loan of Rs. 18,00,000 from the Industrial Finance Corporation of India. Out of this, 6,300 spindles have already been erected and buildings for housing the balance machinery are nearing completion.

Note ... The Mills have 2 Diesel Oil Generators of 200 KVA each to supplement about 40% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block:

	Rs. nP.
Per Spindle	98 00
Per Loom	1960 00

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block...	42 24	per share.
2. Surplus of Liquid Assets over Liabilities	9 69	,,
Total ...	51 93	

Current Market Price ... Rs. 38.25 **Yield on Last Dividend:** 9.8% Tax-free.

Loyal Textile Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 30th June	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	23,037	23,037	23,207	22,838*
Number of Looms worked per shift of 8 hours	223	223	223	222·5
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	4,14,645	5,11,673	6,27,914	10,31,019
Profit per Spindle based on the above ...	15-1-3	18-9-9	22-11-2	38·34
Allocation to Depreciation	2,59,288	2,35,995	1,64,006	2,29,692
Allocation to Taxation	77,000	1,00,000	2,50,000	4,00,000
Nett Tax-Free Earnings on Ordinary Capital after preference dividend ...	3,412	90,733	1,38,962	3,26,383
Percentage of Nett Tax-Free Earnings on Ordinary Capital	...	2·7%	4·14%	9·74%
Carry Forward	53,141	18,154	115	75,058
Dividend on Ordinary Shares (Present Capital)	...	4%	5%	7·5%
Highest and Lowest Prices of Shares ...	20-16	25/4-16	45-23/8	60—36-4

* As on 30th June the Mills had only 24,402 Spindles and 224 Looms.

Fixed assets as at 30th June, 1956.

	Rs.
Gross Block	53,20,453
Less Depreciation	24,90,181
Nett Block ...	28,30,272

MADURA MILLS CO., LTD.
(REGD. IN 1889)

Registered Office ... Madurai.

Managing Agents ... Messrs. A. & F. Harvey Ltd.

		Rs.	Rs.
Capital: Equity	... 11,66,832 shares of Rs. 15 each ...		...1,75,02,480
Reserve Funds	... General	...1,70,00,000	
	Machinery Replacement ...	...2,43,81,878	
			4,13,81,878

Bonus Issue ... As at 31st December, 1938, the Capital of the Company was as follows:

Issued for Cash	59,16,502.50
Bonus	28,34,737.50

In 1947, a sum of Rs. 87,51,240 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in March.

Dividends ...

1949 ...	17½%	1953 ...	20%
1950 ...	15%	1954 ...	20%
1951 ...	20%	1955 ...	20%
1952 ...	20%	1956 ...	17½%

Present Equipment ... Number of Spindles 4,53,000

They have four units, two at Madurai, one at Tuticorin and another at Ambasamudram. Have also 18 Looms for the production of a special fabric for tyre cord and 10 Looms for production of special Cotton belting duck fabric.

Products Manufactured Single, Double Cone and Cheese yarns, sewing thread yarn, multiple yarn and Cord yarn for Tyre Manufacture—Counts upto 80s.

Additions and Proposed Expansions Additions to Buildings amounted to Rs. 1,63,225 and Plant and Machinery to Rs. 8,22,462.

Note ... ... The Mills have installed their own Power Generators since December, 1952.

In 1953, the Company revalued its Block Account by putting up the value of Buildings and Machinery by Rs. 65,00,000 and Rs. 35,00,000 respectively, thus writing up the Gross Block as at 31st December, 1952, to Rs. 5,16,07,732. To effect the necessary entry in the books of the Company this amount of Rs. 1,00,00,000 was credited to the Machinery Replacement & Reserve.

Madura Mills Co., Ltd.—(*contd.*)

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 45 nP. 48

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	16	66	per share
2. Surplus of Liquid Assets over Liabilities	35	59	,,
Total ...	52	25	

Current Market Price: Rs. 34.50 **Yield on Last Dividend:** 7.6% Tax-free

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	3,76,883	3,76,696	3,70,290	3,53,626
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	94,13,793	1,19,59,641	96,59,142	1,14,49,597
PROFIT per SPINDLE based on the above ...	24-15-8	31-12-0	25-15-8	32·38
Allocation to Depreciation	17,98,298	19,03,438	18,72,633	18,79,346
Allocation to Taxation	30,69,000	45,25,000	33,66,000	51,50,000
NETT TAX-FREE EARNINGS on Capital ...	45,46,495	55,31,203	44,20,509	44,20,251
PERCENTAGE OF NETT TAX-FREE EARNINGS on Capital	25·98%	31·6%	25·26%	25·25%
Allocation to Reserves	10,00,000	20,00,000	...	...
Carry Forward	9,36,093	9,66,800	18,86,813	32,44,130
DIVIDEND on Ordinary Shares (Present Capital)	20%	20%	20%	17·5%
DIVIDEND on Capital issued for Cash ...	59·16%	59·16%	59·16%	51.77%
Highest and Lowest Prices of Shares ...	39/10-32	48/6-38/8	54-44/12	54/14-46/10

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	5,83,51,924
Less Depreciation	3,77,47,982
NETT BLOCK ...	2,06,03,942

THE MAHALAKSHMI TEXTILE MILLS LTD.

(REGD. IN 1925.)

Registered Office ... Pasumalai, Madhurai

Managing Agents ... Messrs. S. S. N. Lakshmanan Chettiar & Co.

			Rs.	Rs.
Capital Equity:	... 5,984 Shares of Rs. 100 each	...	5,98,400	
	Add Forfeited Shares (amount Paid-up)...		37,025	
				6,35,425
Reserve Funds	... General	...	6,65,000	
	Machinery Replacement ...	...	10,00,000	
				16,65,000

Accounts ... Closed as at 31st December. DIVIDENDS paid in September.

Dividends ...	1949	... 6%	1953	... 10%
	1950	... 6%	1954	... 12% + 33%†
	1951	... 6%	1955	... 12%
	1952	... 6%	1956	... 15%

Present Equipment ... Number of Spindles **35,320**

Products Manufactured Cotton Yarn of 20s to 40s.

Additions and Proposed Expansions Addition in 1955 to Lands and Buildings were to the tune of Rs. 2,76,413. Five imported Ring Frames of 432 spindles each were added. 864 Spindles have also been ordered for. One High speed Cone winder, one Yarn conditioning Machine, three Doubling Frames, and one High Tension Switch Gear are expected shortly.

ote ... They have a Power Generator to supplement 50% of their power requirements when put to working.

		Rs.	nP.
apitalisation ... Taking Nett Block : Per Spindle		65	25

		Rs.	nP.	
reak-up-value of Ordinary share in relation to	1. Nett Block	385	16	per share.
	2. Surplus of Liquid Assets over Liabilities	1	51	,,
	Total ...	386	67	,,

rrent Market Price: Rs. 150 **Yield on Last Dividend:** 10% Tax-free

The Mahalakshmi Textile Mills Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked ...	22,000	22,400	22,745	31,788
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	4,78,206	8,35,059	5,23,419	11,57,825
Profit per Spindle based on the above	21-11-9	37-3-6	23-0-2	36.42
Allocation to Depreciation	97,842	1,09,197	1,12,901	2,37,634
Allocation to Taxation	1,75,000	4,00,000	1,25,000	4,16,000
Nett Tax-free Earnings on Capital ...	2,05,357	3,25,861	1,85,519	5,04,191
Percentage of Nett Tax-free Earnings on Ordinary Capital	34·32%	54·46%	31·0%	84.26
Allocation to Reserves	1,50,000	2,10,000	1,00,000	4,25,000
Carry Forward	3,650	47,703	23,912	13,373
Dividend on Ordinary Shares (Present Capital)	10%	†12+33%	12%	15%
Highest and Lowest prices of Shares ...	100-125	125*	123*	125-150

* Nominal

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	42,37,851
Less Depreciation	19,33,082
Nett Block ...	23,04,769

† As per resolution dated 31-3-1956, a sum of Rs. 1,60,000 was drawn from the Reserves for payment of an additional dividend af 33% for 1956, thus making 45% for the year 1954.

THE MALABAR SPINNING & WEAVING CO., LTD.

(Regd. in 1884)

Registered Office ... Kallai (Malabar).

Secretaries, Treasurers and Agents ... Sri Al. Ar. Somanathan Chettiar, Sreemathi S. Seethai Achi and Sri A. K. T. K. M. Narayanan Namboodripad.

Capital: Equity ... 6,000 Shares of Rs. 200 each ... Rs. 12,00,000

Reserve Funds ... General ... ... Rs. 3,50,000
Dividend Equalisation ... ... 17,363 — 3,67,363

Bonus Issue ... In 1948, Rs. 6,00,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in April.

Dividends ...

1949	7½%	1953	4%
1950	4%	1954	Nil.
1951	6%	1955	Nil.
1952	4%	1956	4%

Present Equipment ... Number of Spindles ... **22,228.** Number of Looms ... **100**

Products Manufactured. Cotton Yarn of 32s, 30s, 26s, 20s, 10s, 2/2 s and 2/30s and Cloth; Gada and Mull.

Capitalisation ... Taking Nett Block:

	Rs.	nP.
Per Spindle ...	42	37
Per Loom ...	847	40

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block ...	171	11	per share.
2. Surplus of Liquid Assets over Liabilities...	90	15	,,
Total ...	261	26	

Current Market Price: Rs. 99. **Yield on Last Dividend**, 8%

The Malabar Spinning & Weaving Co., Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	14,623	13,581	16,206	11,402
Number of Looms worked per shift of 8 hours ...	...	96	87	76
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	1,38,067†	Loss 46,978	90,969	2,10,754
Profit per Spindle based on the above...	9–7–1	Nil	5–1–1	16·31
Allocation to Depreciation ...	49,379	70,193	1,05,312	99,125
Allocation to Taxation ...	...	...	...	...
Nett Tax-free Earnings on Capital ...	88,688†	Loss 1,17,171	Loss 14,343	1,11,628
Percentage of Nett Tax-free Earnings on Capital ...	...	...	...	9·3%
Carry Forward ...	18,098	Loss 99,073	Loss 1,13,415	...
Dividend on Ordinary Shares (Present Capital) ...	4%	...	...	4%*
Dividend on Capital issued for Cash ...	8%	...	...	8
Highest and Lowest prices of Shares ...	150–126	126–118	125–111	115–108

*Dividend paid drawing Rs. 50,000 from General Reseve.

†Profit arrived at after taking credit of E. P. T. Refund of Rs. 1,32,649-8-0.

Fixed assets as at 31st December, 1956

		Rs.
Gross Block	... ...	29,03,352
Less Depreciation	... ...	18,76,699
	Nett Block ...	10,26,653

THE SREE MEENAKSHI MILLS LTD.

(REGD. IN 1921)

Head Office ... Madhurai.

Managing Agents ... Messrs. Thiagaraja Chetty & Co.

		Rs.	Rs.
Capital: Equity	... 2,19,804 Shares of Rs. 20 each ...	43,96,080	
Preference	... 24,258 (7½% C. T. F.) Shares of Rs. 20 each	4,85,160	
	Add Forfeited Shares ...	23,790	
			49,05,030
Debentures	... Equitable Mortgage loan on Land, Buildings and Machinery ...		44,91,438
Reserve Funds	... Machinery Replacement ...	20,00,000	
	Dividend Equalisation ...	5,00,000	
	Raw Materials fluctuation ...	5,00,000	
	General and Taxation ...	28,39,548	
	Inimital Deprciation & Development.	22,33,800	
	Capital Reserve ...	1,35,324	
			82,08,672

Bonus Issue ... In February, 1948, Rs. 21,98,320 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held. In 1950 Rs. 10,99,160 was again capitalised out of Reserves and distributed in the proportion of one share free for every three shares held.

Accounts ... Closed as at 31st March. DIVIDENDS paid in October.

Dividends ...

1950 ...	6¼%	1954 ...	7½%
1951 ...	5%	1955 ...	10%
1952 ...	7½%	1956 ...	12½%
1953 ...	7½%	1957 ...	10%

Present Equipment ... Number of Spindles ... 1,09,360 Number of Looms ... 144

Products Manufactured Cotton Yarn of 16s to 40s and 2/20s and 2/40s and Cone Yarns for Weaving and Hosiery Factories. Also Grey Gada.

Additions and Proposed Expansions In 1955-56 additions to Buildings were to the tune of Rs. 11,35,489, Machinery Rs. 43,81,827 and Electrical Installations Rs. 2,88,304. Out of the 36,180 Spindles ordered for Samayanallur Branch Mill 26,140 had been commissioned as on 31st March 1957. The balance has been commissioned in 1957-58 and thus all the 36,180 Spindles are now working. Have also applied for expansion by 1000 looms and 14000 Spindles at Paravai and 12,000 Spindles and 300 looms at Madurai.

Note ... This unit consist of 3 Mills, (1) Meenakshi Mill, Madhurai, (2) Theakesar Alai, Manapparai and (3) Sree Meenakshi Mills Branch, Paravai. The Mills have 4 Diesel Generating Sets of 900 KVA and this will supplement 66⅔% of their power requirements, when put to working.

		Rs.	nP.
Capitalisation	... Taking Nett Block: Per Spindle	128	36
	Per Loom	2567	20

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	57 77	share.
	2. Surplus of Liquid Assets over Liabilities	1 55	,,
	Total ...	59 32	,,

Current Market Price: Rs. 25. **Yield on Last Dividend:** 8% Tax-free.

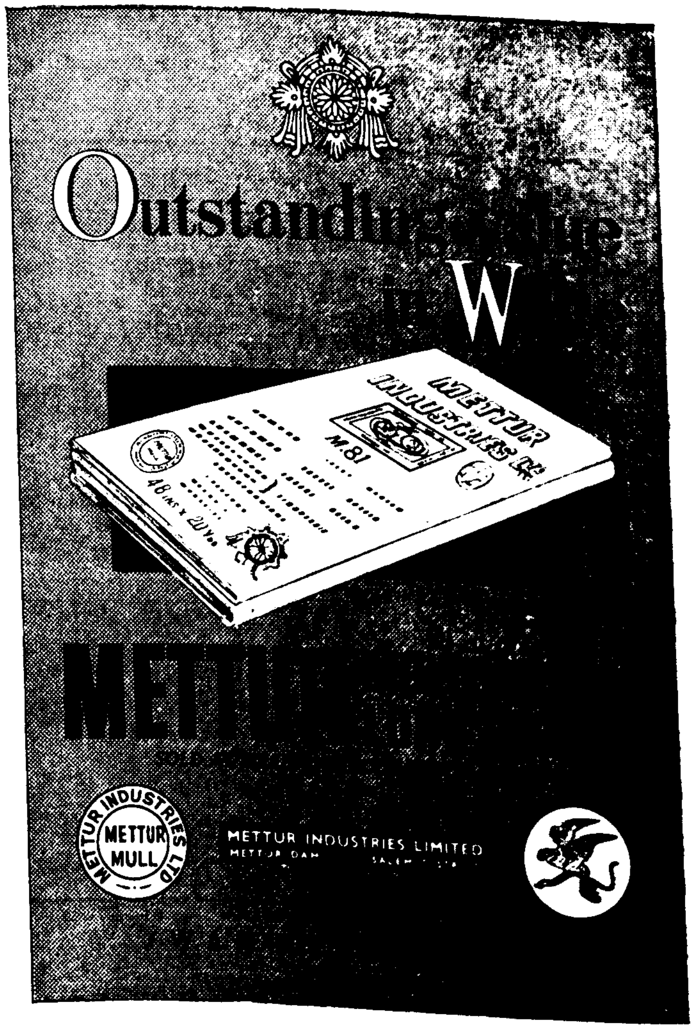
ANALYSIS OF WORKING

AS AT 31ST MARCH	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	59,847	65,722	60,976	72,436
Number of Looms worked per shift of 8 hours	144	143·9	143·7	134·3
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	22,85,339	27,71,077	38,78,264	41,67,912
PROFIT per SPINDLE based on the above ...	36-7-0	40-6-4	60-11-11	55·48
Allocation to Depreciation	6,84,745	5,83,114	9,53,608	22,92,924
Allocation to Taxation	6,50,000	9,50,000	14,50,000	10,00,000
NETT TAX-FREE EARNINGS on Capital after preference dividend	9,14,206	12,01,575	14,38,269	8,50,061
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	20·8%	28·47%	32·72%	19·34%
Allocation to Reserves	2,50,000	7,61,768*	8,88,760*	4,10,455
DIVIDEND on Ordinary Shares (Present Capital)	7·5%	10%	12·5%	10%
DIVIDEND on Capital issued for Cash ...	30%	40%	50%	40%
Highest and Lowest prices of Shares ...	18–20	20–20	27/8–20	30–29

* Allocation to the "General and Taxation Reserve".

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	2,05,33,222
Less Depreciation	78,34,244
NETT BLOCK ...	1,26,98,978



THE METTUR INDUSTRIES LTD.

(REGD. IN 1936)

ills ... ... Mettur Dam (Salem).

egistered Office ... No. 8, Second Line Beach, Madras-1.

lanaging Agents ... Messrs. W. A. Beardsell & Co., Ltd.

apital Equity: ... 60,000 Shares of Rs. 100 each ... ... Rs. 60,00,000

leserve Funds ...

		Rs	Rs.
General ...	...	38,00,000	
Dividend Equalisation ...	...	10,00,000	
Raw materials Fluctuation	...	10,00,000	
Fixed Assets Replacement	...	11,00,000	69,00,000

Bonus Issue ... In March, 1951, the Company capitalised Rs. 30,00,000 out of Reserves and distributed the same in the proportion of one share free for every share held.

Accounts ... Closed as at 31st March.

Dividends ... DIVIDENDS paid in August.

1950	... 25%	1954	... 22½%
1951	... 12½%*	1955	... 35%
1952	... 12½%	1956	... 42½%
1953	... 12½%	1957	... 20%

* on the increased capital.

Present Equipment ... Number of Spindles ... **25,656**. Number of Looms ... **603**

The Mills are Air-conditioned. They have also a fully equipped Bleaching Plant.

Products Manufactured Bleached Mulls and Bleached Longcloth.

Additions and Proposed Expansions Additions to the Buildings in 1953 were to the tune of Rs. 42,594 and Plant and Machinery to the tune of Rs. 40,038.

Note ... ... The Mills have a Diesel Generating Set capable of supplying 50% of their power requirements when put to use.

Capitalisation ... Taking Nett Block:

		Rs.	nP.
Per Spindle	...	53	16
Per Loom	...	1063	20

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block...	33	42	per share
2. Surplus of Liquid Assets over Liabilities ...	181	67	,,
Total ...	215	09	,,

Yield on Last Dividend: 5.68 Tax-free.

—rent Market Price: Rs. 352.00

The Mettur Industries Ltd.—(*Contd.*)

ANALYSIS OF WORKING

As at 31st December	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	25,656	25,656	25,656	25,656
Number of Looms worked per shift of 8 hours	603	603	603	603
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and taxation	30,89,138	37,35,060	48,62,567	39,43,780
Profit per Spindle based on the above ...	81-14-6	99-0-6	128-14-10	104·56
Allocation to Depreciation	1,65,630	1,91,805	1,87,704	1,90,774
Allocation to Taxation	9,20,000	13,50,000	21,77,000	20,50,000
Nett Tax-Free Earnings on Capital ...	20,03,508	21,93,255	26,67,863	17,03,006*
Percentage of Nett Tax-Free Earnings on Capital	33·4%	36·55%	44·46%	28·38%
Allocation to Reserve	6,50,000	...	...	...
Carry Forward	50,153	1,43,408	45,835	5,157
Dividend on Ordinary Shares (Present Capital)	22·5%	35%	42·5%	20%
Dividend on Capital issued for cash ...	45%	70%	90%	40%
Highest and Lowest prices of Shares ...	218-178-8	317-218	537/8-375	445-300

* Provided out of this Rs. 2,43, 684 for additional bonus for 1954-55 and 1955-56 and Taxation relating to previous year of Rs. 3,00,000.

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	65,94,131
Less Depreciat on	45,89,145
Nett Block ...	20,04,986

THE MINERVA MILLS LTD.

(Regd. in 1919)

Registered Office ... 70, Forbes Street, Fort Bombay.

Managing Agents ... Messrs. N. Sirur & Co. Private Ltd.

		Rs.	Rs.
Capital : Equity	... 29,597 Shares of Rs. 100 each	... 29,59,700	
	Add : Amount paid on 334 forfieted Shares ...	... 21,184	
			29,80,884
		Rs.	
Reserve Funds	... General	... 17,89,915	
	Investment ...	... 90,000	
	Labour Colony ...	... 78,166	
			19,58,081

Bonus Issue ... In 1948, Rs. 4,93,100 was capitalised out of Reserves and distributed in the proportion of one share free for every five shares held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in June.

Dividends ...

1949 ... 8%	1953 ... 7%
1950 ... 6%	1954 ... 5%
1951 ... 6%	1955 ... 6%
1952 ... 5%	1956 ... 6%

Present Equipment ... Number of Spindles ... 39,896 Number of Looms ... 704

Products Manufactured Dhoties, Sarees, Shirtings, Coatings, Mulls, Turkish Towels, Tussores, etc.

		Rs. nP.
Capitalisation ... Taking Nett Block :	Per Spindle	72 53
	Per Loom	1,450 60

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	131 93	per share.
	2. Surplus of Liquid Assets over Liabilities	35 64	„
	Total ...	167 57	„

Current Market Price : Rs. 71. **Yield on Last Dividend :** 8·45% Tax-Free.

The Minerva Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st March	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	34,175	35,907	37,571	35,906
Number of Looms worked per shift of 8 hours	682	634	634	633
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	5,69,255	Loss 1,62,788	5,14,764	5,39,367
Profit per Spindle based on the above ...	11-14-6	...	10-3-11	11·11
Allocation to Depreciation	3,50,000	2,39,175†	3,20,622	3,58,711
Allocation to Taxation	26,000	...	...	...
Nett Tax-Free Earnings on Capital ...	1,93,255	†	1,94,143	1,80,656
Percentage of Nett Tax-Free Earnings on Capital	6·53%	...	6·56%	6·10
Allocation to Reserves	...	...	...	Nil
Carry Forward	12,036	9,339†	13,678	19,662
Dividend on Ordinary Shares (Present Capital)	7%	5%	6%	6%
Dividend on Capital issued for cash ...	8·4%	6%	7·2%	7·2%

† In terms of of the Consent Award of the Industrial Tribunal, Bangalore, dated 7—3—1955, the Company had to pay Rs. 8,25,372 to Labour, which resulted in the gross profit of Rs. 6,62,583, turning to be a *loss* of Rs. 1,62,788. The Company transferred Rs. 5,45,597 from the Reserve Fund to the Profit and Loss Account, for writing off the loss, provide Depreciation and pay a 5% dividend.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	92,42,488
Less Depreciation	53,37,735
Nett Block ...	39,04,753

THE MYSORE SPINNING & MANUFACTURING CO., LTD.

(Regd. in 1894)

Registered Office ... 70, Forbes Street, Fort, Bombay.

Managing Agents ... Messrs. N. Sirur & Co., Private, Ltd.

			Rs.	Rs.
Capital: Equity	...	49,670 Shares of Rs. 50 each.	... 24,83,500	
Preference	...	14,901 (4½%) Shares of Rs. 50 each	... 7,45,050	
			32,28,550	
		Add amount paid on Shares forfeited ...	1,410	32,29,960
Reserve Funds	...	General	... 40,00,000	
		Premium on Shares ...	... 1,44,060	
		Investment	... 1,50,000	
		Labour Colony Fund ...	... 3,08,418	
		Machinery Rehabilitation ...	... 2,50,000	48,55,418

Bonus Issues ... Out of the Share Capital 23,835 Ordinary shares and all the Prefernce shares (i.e. 14,901 shares of Rs. each) were issued as bonus.

Accounts ... Closed as at 28th February. DIVIDENDS paid in September.

Dividends ...

1950	... 20% *plus* 22%*	1954	... 17% †
1951	... 18%	1955	... 12%
1952	... 20%	1956	... 18%
1953	... 20%	1957	... 18%

* paid out of the Defd. Dividend Reserve. † (on increased capital)

Present Equipment ... Number of Spindles ... **50,480.** Number of Looms ... **500**

Products Manufactured.. Cotton Yarn 10s *to* 60s single and double. Cloth: Dhoties, Sarees, Shirtings, Coatings, Mulls, Turkish Towels, Mercerised Tussores, Gaberdine, etc.

			Rs. nP.
Capitalisation ...	Taking Nett Block: Per Spindle	...	... 70 16
	Per Loom	...	...1403 20

		Rs. nP.
Break-up-value of Ordinary share in relation to	1. Nett Block	... 85 50 per share.
	2. Surplus of Liquid Assets over Liabilities ...	... 62 95 ,,
	Total	... 148 45 ,,

Current Market Price: Rs. 95.00. **Yield on Last Dividend:** 9.49% Tax-free.

The Mysore Spinning & Manufacturing Co., Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 28th February	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	44,548	44,489	48,231	45,432
Number of Looms worked per shift of 8 hours	450	450	450	450
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	9,14,803	†	8,35,919	9,05,415
Profit per Spindle based on the above ...	17–1–4	...	14–9–8	16·64
Allocation to Depreciation	3,13,083	2,66,592	3,41,540	3,935,20
Taxation	1,95,000	...	...	...
Nett Tax-Free Earnings on Capital after Preference dividend	3,73,193	†	4,60,852	4,78,368
Percentage of Nett Tax-Free Earnings on Ordinary Capital	15·0%	...	18·56%	19·26%
Allocation to Reserves	...	†	18,488	14,443
Carry Forward	22,997	23,708	19,041	35,937
Dividend on Ordinary Shares (Present Capital)	17%*	12%†	18%	18%
Dividend on Capital issued for Cash ...	36·8%	24·8%	37·20%	37·20%

* Interim of 6% on old Capital and final of 11% on increased Capital.

† The Company earned a gross profit of Rs. 8,92,430. As they had to pay Rs. 9,56,710 towards arrears of wages and dearness allowance under the Consent Award of the Industrial Tribunal, Bangalore, for the period from 1-1-1953 to 28-2-1955, the Nett Loss for the year ended 28-2-1955 was Rs. 34,280 before depreciation. A sum of Rs. 6,25,018 was transferred from the Reserve Fund to provide depreciation and pay the Preference and Ordinary dividend.

Fixed assets as at 28th February, 1957

	Rs.
Gross Block	1,13,48,711
Less Depreciation	71,02,473
Nett Block ...	42,46,238

SRI PALAMALAI RANGANATHAR MILLS LTD.

(Regd. in 1933)

			Rs.	Rs.
Registered Office	...	Periyanaickenpalayam (Coimbatore Dt.)		
Managing Agents	...	Messrs. S. K. Rangaswamy Naidu & Co.		
Capital: Equity	...	2,399 Shares of Rs. 100 each Fully Paid ...	2,39,900	
		2,198 Shares of Rs. 100 each Rs. 50 Paid.	1,09,900	
			3,49,800	
		Less calls in arrears	3,325	3,46,475
Debentures:	...	Mortgage Loan		2,00,000
Reserve Funds	...	General	45,153	
		Machinery Replacement	35,000	80,153

Accounts ... Closed as at 31st March. DIVIDENDS paid in September.

Dividends ...

1949 ...	6%	1953 ...	Nil.
1950 ...	6%	1954 ...	6%
1951 ...	9%	1955 ...	6%
1952 ...	Nil.	1956 ...	6%

Present Equipment ... Number of Spindles **10,736**

Products Manufactured Cotton and Staple Fibre Yarn of 20s to 60s.

Additions and Proposed Expansions } 720 Spindles were added in the year 1956-57

Note ... ... The Mills have one Tractor of 42 HP in carding section and the Power supplemented is 8%. Have also a Generator of 100 HP to supplement 20% of their power requirements when put to use.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 94 nP. 49

(Rs. 100 paid).

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	293	80	per share.
	2. Excess of Liabilities over Liquid Assets ...	170	66	,,
	Nett Value ...	123	14	,,

Current Market Price: Rs. 109. **Yield on Last Dividend:** 5·5% Tax-free.

Sri Palamalai Ranganathar Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles Worked per shift of 8 hours	7,180	8,870	9,175	8,929
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	23,808	98,562	1,72,501	Balance sheet not yet received
Profit per Spindle based on the above ...	3-5-0	11-1-9	18·80	
Allocation to Depreciation	...	...	10,223	
Allocation to Taxation	...	...	...	
Nett Tax-Free Earnings on Capital ...	23,818	98,562	1,62,275	
Percentage of Nett Tax-Free Earnings on Capital	6·0%	30·5%	47·0%	
Allocation to Reserves	...	...	...	
Carry Forward	*Loss* 4,52,253	*Loss* 3,73,087	**	
Dividend on Ordinary Shares ...	6%	6%	6%	
Highest and Lowest Prices of Shares ...	79*	79–73	115–83	109–109

* Nominal.

** Previous yea'r carried over loss written off drawing from the General Reserve.

Fixed assets as at 31st March, 1956

	Rs.
Gross Block	13,27,527
Less Depreciation	3,13,063
Nett Block ...	10,14,464

DALAL & CO

MADRAS-1

PALANI ANDAVAR MILLS LTD.

(REGD. IN 1933)

Registered Office	... Dhali Road, Udumalpet (Coimbatore Dt.)		
Managing Agents	... Messrs. Bhagyalakshmi & Co.	Rs.	Rs.
Capital: Equity	... 8,000 "A" Shares of Rs. 50 each ...	4,00,000	
	8,000 "B" Shares of Rs. 75 each ...	6,00,000	
Preference	... 4,000 (7% C. T. F.) Shares of Rs. 50 each.	2,00,000	
			12,00,000
Debentures	... Mortgage Loan		14,00,000
Reserve Funds	... General	1,00,000	
	Machinery Replacement	6,00,000	
	Dividend Equalisation	3,00,000	
	Contingencies...	3,00,000	
			13,00,000

Bonus Issue ... In 1947, Rs. 6 lakhs was capitalised out of Reserves and issued in the proportion of one "B" share (Rs. 75 paid) free for every "A" share (Rs. 50 paid) held.

Accounts ... Closed as at 31st December.

Dividends ...

		DIVIDENDS paid in May.	
1949 ...	4%	1953 ...	24%
1950 ...	10%	1954 ...	24%
1951 ...	16%	1955 ...	24%
1952 ...	15%	1956 ...	30%

Present Equipment ... Number of Spindles.: Ring 41,200
Doubling 624
41,824

Also own a Ginning Factory at the Mills site.

Products Manufactured Cotton Yarn of 20s, 26s, 30s, 40s, 60s and 80s Carded Combed.

Additions and Proposed Expansions The "B" Mill was constructed adjacent to the old unit (called "A" Mill) and 12,000 spindles were added. Under the proposal to erect 6400 spindles, 3200 have already been commissioned to work and 3200 are under erection. Combers are installed and commissioned to work.

Note ... The Mills have a Generator which will supplement about 20% of their power requirements when put to use.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 95 nP. 90 (Rs. 50 paid).

Palani Andavar Mills Ltd.—*(contd.)*

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	200 52	per share.
	2. Excess of Liabilities over Liquid Assets	85 10	,,
	Total ...	115 42	,,

Current Market Price: (Rs. 50 paid) 135. **Yield on Last Dividend:** 11.11% Tax-free

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	27,858	26,515	26,166	32,480
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	7,68,210	8,69,097	7,16,442	12,39,602
Profit per Spindle based on the above...	27–9–3	32–12–5	27–6–1	38·17
Allocation to Depreciation ...	5,05,571	3,55,526	1,56,954	2,16,653
Allocation to Taxation ...	...	2,51,000	2,50,000	2,00,000
Nett Tax-free Earnings on Capital (after payment of preference divided) ...	2,48,639	2,48,571	2,95,488	8,08,948
Percentage of Nett Tax-free Earnings on Ordinary Capital ...	24·86%	24·85%	30·55%	80·89%
Allocation to Reserves ...	11,469	9,121	50,000	5,00,000
Carry Forward ...	551	...	14,609	8,530
Dividend on Ordinary Shares (Present Capital) ...	24%	24%	24%	30%
Dividend on Capital issued for Cash ...	60%	60%	60%	75%
Highest and Lowest prices of Shares (Rs. 50 Paid) ...	68–44/8	114–68	170–111	172–150

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	65,46,779
Less Depreciation	25,36,447
Nett Block ...	40,10,332

THE PANKAJA MILLS LTD.

(REGD. IN 1932)

Registered Office ... Post Box No. 150, Coimbatore.

Managing Agents ... Messrs. C. S. Ratnasabhapathy Mudaliar & Sons.

			Rs.
Capital: Equity	... 15,000 Shares of Rs. 100 each	...	15,00,000
Debentures	... Mortgage Loan from Bank	...	6,48,733

Bonus Issue ... In 1947, Rs. 9 lakhs was capitalised out of Reserves and distributed in the proportion of three shares for every two shares held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in May.

Dividends ...

1949	4%	1953	Nil.
1950	7½%	1954	Nil.
1951	5%	1955	4%
1952	Nil.	1956	Nil

Present Equipment ... Number of Spindles 30,796

Products Manufactured Single and Double Yarn of 10s to 80s. Also Staple Fibre Yarn.

Capitalisation ... Taking Nett Block : Per Spindle ... Rs. 49 nP. 91

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block ...	102	47	per share.
2. Excess of Liabilities over Liquid Assets	68	15	,,
Nett Value ...	34	32	

Current Market Price: Rs. 44.50

The Pankaja Mills Ltd.—*(contd.)*

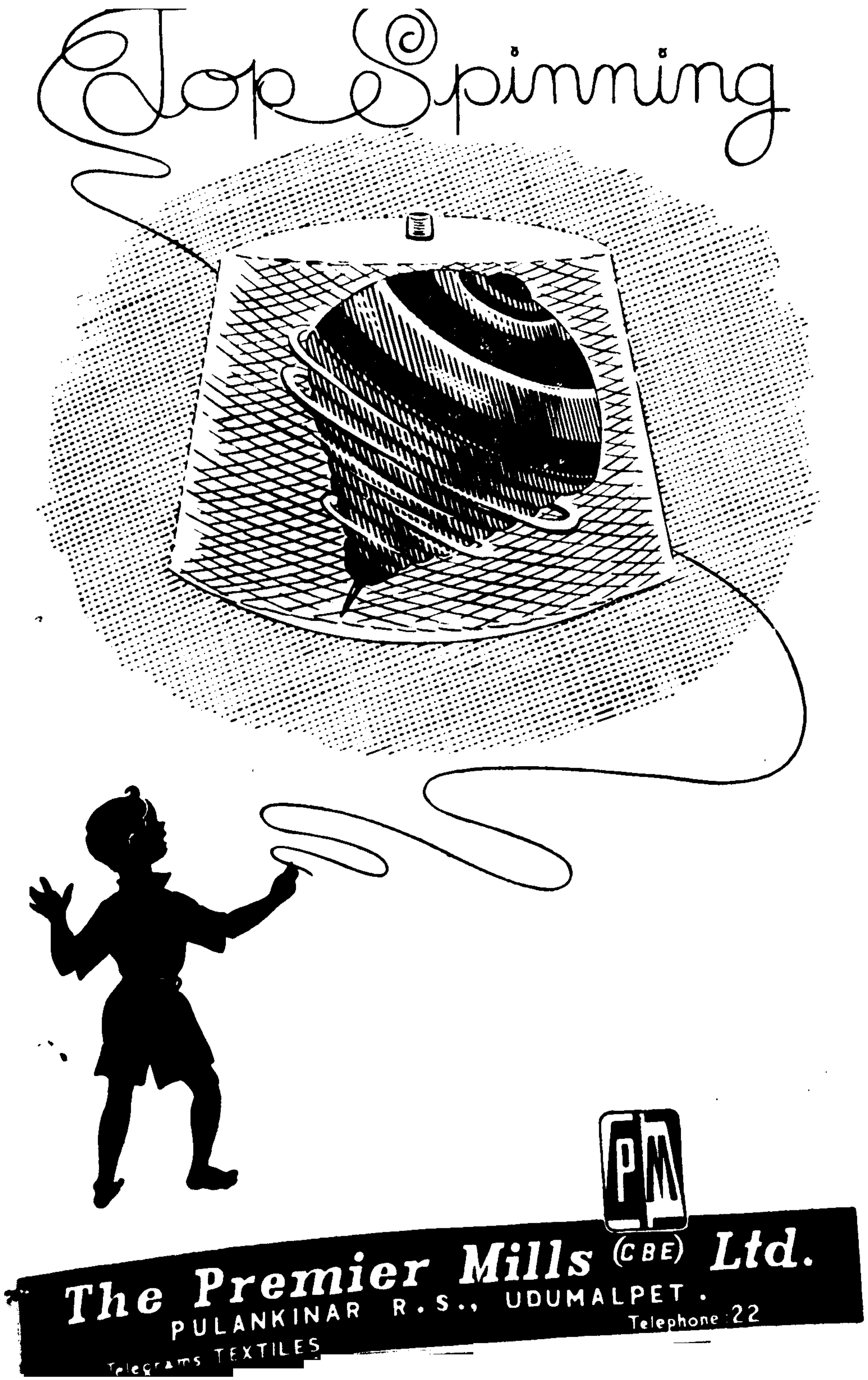
ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	25,251	25,251	27,796	28,763
	Rs.	Rs.	Rs.	Rs.
Net Profit before allowing for Depreciation and Taxation ...	1,81,584	2,41,401	4,96,973	4,92,920
Profit per Spindle based on the above.	7-3-0	9-9-0	17-14-0	17·14
Allocation to Depreciation ...	...	...	1,08,630	1,44,239
Allocation to Taxation	...	...	...	...
Nett Tax-Free Earnings on Capital ...	1,81,584	2,41,401	3,88,343	3,48,681
Percentage of Nett Tax-Free Earnings on Capital	12·14%	16·1%	25·9%	23·25%
Allocation to Reserves	...	...	...	...
Carry Forward ...	*Loss* 21,28,641	*Loss* 18,87,240	*Loss* 14,98,897	*Loss* 9,85,216
Dividend on Ordinary Shares (Present Capital)	...	...	4%*	...
Dividend on Capital issued for cash ...	...	...	10%	...
Highest and Lowest prices of Shares ...	73-61/8	56-36	69-49	102-68·50

* Dividend paid drawing from the Dividend Equalisation Fund.

Fixed assets as at 31st December, 1956

		Rs.
Gross Block	...	34,19,570
Less Depreciation...	...	18,82,524
Nett Block	...	15,37,046



THE PREMIER MILLS (CBE) LTD.
(REGD. IN 1945)

Registered Office ... Pulankinar, Udumalpet.

Managing Agents ... Messrs. K. Narayanaswamy Naidu & Co.

Capital : Equity ... 25,00,000 Shares of Rs. 100 each. ... Rs. ... 25,00,000

Debentures... Mortgage Loan 10,13,567

Note : ... ... The Company issued 12,500 shares of Rs. 100 each at par to the shareholders in the proportions of one share for every share held.

Reserve Funds ... General 3,50,000

Accounts ... Closed as at 31st March. DIVIDEND paid in July.

Dividends ...

1951 ... 3%		1955 ... 12%	
1952 ... 6%		1956 ... 15%	
1953 ... 6%		1957 ... 15%*	
1954 ... 9%			

* on thei ncreased capital.

Present Equipment ... Number of Spindles : Ring ... 33,048
Doubling ... 1,728
34,776

Products Manufactured Cotton Yarn of 20s, 26s, 60s and 80s. Staple Fibre Yarn of 20s, & 30s.

Additions and Proposed Expansions ... Additions in 1956-57 were Buildings Rs. 2,45,469, Machinery Rs. 16,56,612 and Electrical Machinery Rs. 3,60,346. Buildings are in progress for the "B" Mill at Othakkalmandapam, nine miles from Coimbatore and orders have been placed for 15,000 spindles with the required machinery. This "B" mill is for manufacture of Staple Fibre Yarn.

Note ... The Mills have a Diesel Generator which will supplement about 65% of their power requirements, when put to use.

Capitalisation ... Taking Nott Block : Per Spindle ... Rs. 101 nP. 31

Break-up-value of Ordinary share in relation to ...

	Rs.	nP.	
1. Nett Block ...	140	93	per share
2. Excess of Liabilities over Liquid assets	27	03	"
Nett Value ...	113	90	"

Current Market Price : Rs. 142

Yield on Last Dividend : 10·56% Tax-free.

The Premier Mills (CBE) Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	17,712	18,595	20,089	27,220
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	8,21,036	7,30,017	10,68,619	13,61,540
Profit per Spindle based on the above ...	46-5-8	39-4-2	53-3-1	50·02
Allocation to Depreciation	5,99,860	4,00,814	4,92,363	9,86,531
Allocation to Taxation	...	70,000	2,75,000	1,65,000
Nett Tax-Free Earnings on Capital ...	2,21,176	2,59,203	3,01,256	2,10,009
Percentage of Nett Tax-Free Earnings on Capital	17·7%	20·74%	24·1%	8·4%**
Allocation to Reserve	...	1,00,000	1,00,000	Nil
Carry Forward	8,592	10,291	2,908	680
Dividend on Ordinary Shares ...	9%	12%	15%	15%*
Highest and Lowest Prices of Shares ...	151–91	160–137	287–175	194–155

** Taking the increased capital.

* Dividend of 15% for the whole year on the old Shares and for the amounts paid up on the new shares from the date of allotment. The allotment took place in January 1957.

Fixed assets as at 31st March, 1957.

			Rs.
Gross Block	...	...	... 69,77,724
Less Depreciation	...	...	... 34,54,482
		Nett Block	... 35,23,242

THE PUDUKKOTTAH TEXTILES LTD.

(REGD. IN 1944)

		Rs.	Rs.
Registered Office	... Namanasamudram.		
Managing Agents	... Messrs. Emcete & Sons (Pudukkottah) Limited.		
Capital: Equity	... 15,000 Ordinary Shares of Rs. 100 each	15,00,000	
	Less calls in arrears	48,400	
			14,51,600
Debentures	... Loan from Bank on Fixed Assets		7,16,833
Accounts...	... Closed as at 31st December and submitted in May.		
Dividend...	... 1955 ... 3%.		
	... 1956 ... Nil		

Present Equipment ... Number of Spindles ... **12,460** Number of Looms ... **122**

Products Manufactured Cotton Yarns of 20s and 26s. Also Grey sheetings of 43", 47" and 49" widths.

Additions and proposed Expansions Additions to Buildings and Machinery were to the tune of Rs. 3,10,075.

Note ... ... The Mills have a Generating set which will supplement about 25% of their power requirements, when put to use.

		Rs.	nP.
Capitalisation ... Taking Nett Block:	Per Spindle ...	202	12
	Per Loom ...	4,042	40

Break-up-value of Ordinary share in relation to		Rs.	nP.	
	1. Nett Block	207	47	per share.
	2. Excess of Liabilities over Liquid Assets	107	00	"
	Nett Value ...	100	47	"

Current Market Price: Rs. 55 Nominal.

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles per shift of 8 hours ...	7,858	9,483	8,200	7,260
Number of Looms worked per shift of 8 hours	35	51	44	78
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT for the year before allowing for Depreciation and Taxation ...	1,06,983	3,66,423	2,86,738	2,26,333
PROFIT per SPINDLE based on the above ...	12-8-0	34-14-2	31-9-3	25·60
Depreciation	...	3,63,857	1,94,964	1,74,874
Taxation	...	...	...	...
NETT TAX-FREE EARNINGS on Capital ...	1,06,983	2,566	91,775	51,459
PERCENTAGE OF NETT TAX-FREE EARNINGS on Capital	7·4%	0·18%	6·35%	3·63%
Allocation	...	...	...	...
Carry Forward	...	*Loss* 94,260	*Loss* 45,816	7,156
DIVIDEND on Ordinary Shares ...	...	...	3%	...
Highest and Lowest prices of Shares ...	32*	32-65	70-65	80-70

* Nominal.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	37,31,648
Less Depreciation	7,20,024
NETT BLOCK ...	30,11,624

PULLICAR MILLS LTD.

Registered Office ... Tiruchengode.

Managing Director ... Sri G. Krishnan, Coimbatore.

Capital : Equity	... 4,665 Shares of Rs. 100 each	Rs. 4,66,500
Reserve Funds	... General	Rs. 4,25,000

Accounts ... Closed as at 31st December. DIVIDEND paid in August.

Dividends ...

1952 ...	6%
1954 ...	15%
1955 ...	15%
1956 ...	21%

Present Equipment ... Number of Spindles **15,636**

Products Manufactured Cotton yarn of 36s, 40s and 60s.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 48 nP. 07

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block...	161	11	per share.
2. Surplus of Liquid Assets over Liabilities	30	80	,,
Total ...	191	91	,,

Current Market Price: Rs. 129. **Yield on Last Dividend:** 16.10 Tax-free.

Pullicar Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	11,610	12,190	12,158
	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	3,89,435	3,15,051	5,33,349
Profit per Spindle based on the above ...	33–8–8	25–13–6	43·87
Allocation to Depreciation ...	86,590	71,881	1,36,368
Allocation to Taxation ...	...	1,14,000	1,75,000
Nett Tax-Free Earnings on Capital ...	3,02,845	1,29,170	3,21,981
Percentage of Nett Tax-Free Earnings on Capital ...	64·92%	27·7%	69·02%
Allocations to Reserve ...	...	51,085	1,51,217
Carry Forward ...	3,380	...	3,729
Dividend on Ordinary Shares ...	15%	15%	21%
Highest and Lowest Prices of Shares ...	80–100	120–100	125–120

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	22,69,726
Less Depreciation	15,18,152
Nett Block ...	7,51,574

RADHAKRISHNA MILLS LTD.

(REGD. IN 1923)

Registered Office ... Peelamedu, Coimbatore.

Managing Agents ... Messrs. A. G. Guruswamy Naidu & Co.

		Rs.	Rs.
Capital: Equity	... 16,812 Shares of Rs. 100 each ...	16,81,200	
	16,812 Shares of Rs. 50 each ...	8,40,600	
	Add: Amount paid on 414 shares forfeited	8,620	
			25,30,420

Note: ... Consent of the Government of India has been obtained for the capitalisation of Rs. 12,60,900 out of Reserves and issue of one bonus share of Rs. 25 each for every Rs. 50 paid held and two bonus shares of Rs. 25 each for every Rs. 100 paid share, held and also to issue Rs. 25,21,800 for cash in the ratio of one share at par for every share held.

Reserve Funds	... General	... 16,75,000	
	Machinery Replacement ...	... 9,00,000	
	...	... 4,20,000	
			29,95,000

Bonus issue ... In 1947, Rs. 8,40,600 was capitalised out of Reserves and distributed in the proportion of one share free for every share held. In December 1949, Rs. 8,40,600 was capitalised out of Reserves and distributed in the proportion of one "B" share (Rs. 50 paid) free for every share (Rs. 100 paid) held.

Accounts ... Closed as at 31st December. DIVIDEND paid in April.

Dividends ...

1949	... 15%	1953	... 8%
1950	... 16%	1954	... 16%
1951	... 16% (on increased capital)	1955	... 20%
1952	... 6%	1956	... 20%

Present Equipment ... Number of Spindles: **59,988.** Number of Looms (Automatic) **301**

Products Manufactured Cotton Yarn of 20s to 60s. Staple Fibre Yarn of 20s to 40s. Cloth: Mulls, Longcloth and Sheetings.

Additions and Proposed Expansions Out of 10,000 spindles allotted, 8,000 spindles have been erected and the balance 1,200 will be commissioned before the end of the year. Ordered for Blow Room machinery, Carding Engines and Drawing Frames already put into commission. Have also secured a permission for 12,000 spindles from the Textile Commissioner, Bombay, for spinning Staple Fibre Yarn, and negotiations are in progress for the purchase of machinery for this project.

Note ... The Mills have three Generating sets to supplement 30% of their power requirements, when put to use.

Radhakrishna Mills Ltd.—(*contd.*)

		Rs. nP.
Capitalisation ... Taking Nett Block:	Per Spindle ...	70 42
	Per Loom ...	1,408 40

(Rs. 100 paid.)

		Rs. nP.
Break-up-value of Ordinary share in relation to	1. Nett Block	184 33 per share.
	2. Surplus of Liquid Assets over Liabilities.	34 93
	Total ...	219 26

Current Market Price: (Rs. 100 paid) Rs. 251.50 C.R. **Yield on Last Dividend:** 7.95% Tax-free

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	30,000	40,272	42,300	42,276
Number of Looms worked per shift of 8 hours	180	200	275	272.5
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	9,77,711	14,36,878	15,99,912	19,80,160
Profit per Spindle based on the above ...	29-1-7	32-7-4	33-7-6	41.50
Allocation to Depreciation	7,17,688	10,06,240	8,44,297	4,13,882
Allocation on Taxation	...	...	...	3,42,898
Nett Tax-Free Earnings on Capital ...	2,60,023	4,30,638	7,55,615	12,23,380
Percentage of Nett Tax-Free Earnings on Ordinary Capital	10·3%	17·08%	30%	48.15%
Allocation to Reserves	4,040	Nil	2,75,000	7,20,000
Carry Forward	1,458	28,607	4,862	3,882
Dividend on Ordinary Shares (Present Capital)	8%	16%	20%	20%
Dividend on Capital issued for Cash ...	24%	48%	60%	60%
Highest and Lowest prices of Shares (Rs. 100 paid)	165-133	217-159	270-207/8	375-268

Fixed assets as at 31st December, 1956

		Rs.
Gross Block	... ...	1,00,48,582
Less Depreciation	... ...	54,00,059
	Nett Block ...	46,48,523

THE RAJALAKSHMI MILLS LTD.

(REGD. IN 1932)

Registered Office ... Uppilipalayam, Singanallur, P. O. (Coimbatore Dt.)

Managing Agents ... Messrs. T. Rangaswamy Naidu & Sons.

		Rs.	Rs.
Capital : Equity	... 30,000 Shares of Rs. 50 each ...	15,00,000	
Preference	... 4,000 ($6\frac{1}{2}$% C. T. F.) Shares of Rs. 50 each.	2,00,000	
			17,00,0

Note ... The Company has issued 30,000 Equity Shares of Rs. 50 eac at par to holders as on 25th October 1957. With this issu the Equity Capital will get increased to Rs. 30 lakhs.

Reserve Funds	... General	18,00,000	
	Machinery Replacement ...	9,00,000	
	Dividend Equalisation ...	2,10,000	
			29,10,0

Bonus Issue ... In 1947, Rs. 10,00,000 was capitalised out of Reserves an distributed in the proportion of two shares free for ever share held.

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in April.

1949 ...	9%	1953 ...	15%
1950 ...	9%	1954 ...	20%
1951 ...	10%	1955 ...	20%
1952 ...	9%	1956 ...	15%

Present Equipment ... Number of Spindles 39,36

Products Manufactured Cotton Yarn of 20s to 80s, in hanks and cones and Stapl Fibre Yarn of 20s and 2/20s.

Additions and Proposed Expansions } Added 8,000 Spindles in 1956. A further 8,000 Spindles, ar under erection.

Note ... ... The Mills have 2 Generators to supplement 50% of their power requirements, when put to use.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 64 nP. 90

		Rs.	nP.	
Break-up-value of Ordinary share in Relation to	1. Nett Block	85	17	per share.
	2. Surplus of Liquid Assets over Liabilities ...	62	00	"
	Total ...	147	17	"

Current Market Price : Rs. 68,00 **Yield on Last Dividend :** 6.35% Tax-free.

The Rajalakshmi Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	19.977	21.774	23,207	20,498
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	11.27.265	9.77.426	10.71,774	4,42,918
PROFIT per SPINDLE based on the above...	56-6-10	44-14-3	46-2-11	22·09
Allocation to Depreciation	1.70.925	1.20,511	8,30,905	3,10,929
Allocation to Taxation	...	3.80,000	1,25,000	...
NETT TAX-FREE EARNINGS on Capital (after preference dividend) ...	9.43.340	4,63,915	1,02,870	1,28,989
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	62·89%	30·93%	6·86%	9·53%
Allocation to Reserves	6.17.408	1,50,000	...	...
Carry Forward	...	12,337	11,082	5,070
DIVIDEND on Ordinary Shares (Present Capital)	15%	20%	20%*	15%†
DIVIDEND on Capital issued for Cash ...	45%	60%	60%	45%
Highest and Lowest Prices of Shares ...	86-71	141/8-85	182/8-130	202-156

* Dividend paid drawing from the Dividend Equalisation Reserve.

† Since Bonus to labour for 1955 amounting to Rs. 2,45,847 was paid out of 1956 profits, for payment of dividend of 15%, a sum of Rs. 90,000 was drawn from the Dividend Equalisation Fund.

Fixed assets as at 31st December, 1956.

		Rs.
Gross Block	...	54,56,520
Less Depreciation	...	29,01,441
NETT BLOCK	...	25,55,079

RAJAPALAYAM MILLS LTD.

(Regd. in 1936).

Registered Office ... Samusigapuram Road, Rajapalayam.

Managing Agents ... Ramco Agencies Private Ltd.

Capital: Ordinary ... 16,143 Shares of Rs. 100 each ... ... Rs. 16,14,300

Debentures ... Mortgage loan from the Industrial Finance Corporation. 11,49,515

Reserve Funds ... General ... ... Rs. 5,00,000
Machinery Replacement 9,00,000
14,00,000

Bonus Issues ... In 1948, the capital of the Company was increased twice by the issue of bonus shares. In January, 1948, the Company capitalised part of the Reserves and issued one share free for every share held. Again in March, 1948, a further part of the Reserve Funds was capitalised and issued in the proportion of one share free for every two shares held.

Accounts ... Closed as at 31st March. DIVIDEND paid in August.

Dividends ...

1950	6%	1954	6%
1951	6%	1955	10%
1952	6%	1956	10%
1953	4%	1957	12%

Present Equipment ... Number of Spindles 24,996

Products Manufactured Cotton Yarn of 20s, 26s and 60s.

Additions and Proposed Expansions Additions in 1955-56 to Buildings were to the extent of Rs. 1,02,986 and Plant and Machinery to the tune of Rs. 4,14,979.

Note ... The Mills have a Power generator to meet 50% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. nP. 73 00

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block...	113 05	per share.
2. Surplus of Liquid Assets over Liabilities	74 63	,,
Total ...	187 68	,,

Current Market Price: Rs. 135. **Yield on Last Dividend:** 8·88% Tax-free

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	14,166	18,055	23,501	21,410
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	2,41,578	7,09,798	8,84,631	9,35,423
Profit per Spindle based on the above ...	17-0-10	39-4-3	37-10-3	43·70
Allocation to Depreciation	1,02,837	2,17,749	2,06,341	1,86,823
Allocation to Taxation	...	1,51,191	3,05,000	3,50,000
Nett Tax-Free Earnings on Capital ...	1,38,741	3,41,038	3,73,290	3,98,610
Percentage of Nett Tax-Free Earnings on Capital	8·6%	21·13%	23·12%	24·70%
Allocation to Reserves	...	1,54,388	2,00,000	2,00,000
Carry Forward	...	...	10,510	15,404
Dividend on Ordinary Shares (Present Capital)	6%*	10%	10%	12%
Dividend on Capital issued for Cash ...	18%	30%	30%	36%
Highest and Lowest prices of Shares ...	81-70	125-71	180-128	154-140

* Dividend paid from General Reserve.

Fixed assets as at 31st March, 1957.

	Rs.
Gross Block	37,35,923
Less Depreciation	19,10,995
Nett Block ...	18,24,928

Sree Rajendra Mills Ltd.

(Established 1935)

Telegrams: "RAJENDRA" Post Box No. 201

Telephones: { Office: 45 / Residence: 19 } Rly. Stn.: SALEM MARKET.

Registered Office:

GANDHINAGAR SALEM-2

Authorised Capital:	Rs. 20,00,000
Issued Capital:	Rs. 16,00,000
Paid-up Capital:	Rs. 15,10,280

Spindles installed in both 'A' and 'B' Mills-42,528

'A' Mills-29,328 Spindles, spinning 20s to 40s-Single, Folded, Cone and Staple Fibre Yarns.

'B' Mills-13,200 Spindles, spinning 60s to 100s-Carded, Combed and Cone Yarns.

Trade Mark: **"RISING SUN"**

Managing Agents:

Thiagaraja Chetty & Co. Private Ltd.

Managing Director:

T. MANICKAVASAGAM, B.A.

M. S. CHOCKALINGAM, *Secretary.* C. SUNDARAM, B.Sc., *Factory Manager.*

SREE RAJENDRA MILLS LTD.

(Regd. in 1935)

Registered Office	... Gandhinagar, Salem (2)		
Managing Agents	... Messrs. Thiagaraja Chetty & Co., Private Ltd.		
		Rs.	Rs.
Capital: Equity	... 1,45,962 Shares of Rs. 10 each ...	14,59,620	
Preference	... 5,066 (6½%, C. T. F.) Shares of Rs. 10 each.	50,660	15,10,280
Debentures:	... From the Industrial Finance Corporation of India		15,00,000
Reserve Funds:	... General	2,42,362	
	Additional Depreciation and Development ...	6,19,432	8,61,794
Bonus Issue	... In 1948, Rs. 9,73,080 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held.		
Accounts	... Closed as at 31st March.		

Dividends ... DIVIDENDS paid in September.

1950	5%	1954	7½%
1951	6¼%	1955	10 %
1952	5%	1956	12½%
1953	6¼%	1957	12½%

Present Equipment ... Number of Spindles **42,528**

Products Manufactured Cotton & Staple Fibre Yarns of 20s to 40s single, folded and cone Yarn in "A" will and Cotton Yarn of 60s to 100s carded, combed and cones in 'B' mill.

Additions and Proposed Expansions Additions in "A" mill were Machinery Rs. 41,349 and Electrical Machinery Rs. 1,15,404 and in "B" Mill Machinery to the tune of Rs. 18,07,528 and Electrical Machinery Rs. 2,65,457. The "A" Mills have now 29,328 Spindles. The "B" Mill is now functioning with 7,480 Spindles and the full complement of 13,200 Spindles is expected to go into production before the end of the year. Proposed Expansions are to the tune of Rs. 1,60,000 in Buildings and Machinery in "A" Mill and Rs. 8,05,000 in "B" Mill.

Note ... The Mills have Generating sets which will supplement about 40% of their power requirements, when put to use.

		Rs.	nP.	
Capitalisation	... Taking Nett Block: Per Spindle ...	92	51	
Break-up-value of Ordinary share in relation to	1. Nett Block ...	26	94	per share.
	2. Excess of Liabilities over Liquid Assets ...	11	02	,,
	Total ...	15	92	,,

Current Market Price: Rs. 12.50 Nominal **Yield on Last Dividend:** 10% Tax-free.

Sree Rajendra Mills Ltd. (*contd.*)

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	17,363	15,167	19,287	23,185
Nett Profit before allowing for Depreciation and Taxation ...	Rs. 6,02,849	Rs. 9,58,829	Rs. 10,79,461	Rs. 13,83,584
Profit per Spindle based on the above ...	34-11-6	63-3-6	55-15-6	59.68
Allocation to Depreciation ...	1,76,957	3,42,241	2,51,354	1,53,618
Allocation of Taxation ...	•	2,75,000	4,00,000	3,50,500
Nett Tax-Free Earnings on Capital (after preference dividend) ...	4,46,622‡	3,38,295	4,24,814	8,82,759
Percentage of Nett Tax-Free Earnings on Ordinary Capital	•	23·2%	29·1%	60·48%
Allocation to Reserves	•	1,92,333••	2,42,362••	@ 6,19,432
Dividend on Ordinary Shares (Present Capital) ...	7·5%	10%	12·5%	12.5%
Dividend on Capital issued for cash ...	22·5%	30%	37·5%	37.5%
Highest and Lowest prices of Shares ...	7/8-10/0	10-11	11-12/8	12.50 Nominal

‡Net profit after depreciation, out of which dividends were paid and the balance carried to the Taxation and General Reserve.

••Allocation to a Reserve called Reserves and Provisions. With the allocation out of 1956 profits, this Reserve stands at Rs. 11,14,636.

@Additional Depreciation and Development Rebate provided.

Fixed assets as at 31st March, 1957

		Rs.
Gross Block	...	64,64,382
Less Depreciation	...	25,29,927
Nett Block	...	39,34,455

The Rajeswari Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	8,400	8,400	7,880	8,400
Nett Profit before allowing for Depreciation and Taxation	Rs. 2,45,176	Rs. 4,51,315	Rs. 5,46,572	Rs. 5,43,190
Profit per Spindle based on the above ...	29-3-0	53-11-8	69-5-9	64·67
Allocation to Depreciation	1,60,997	2,05,409	1,87,409	1,91,810
Allocation to Taxation	...	...	90,000	2,00,000
Nett Tax-Free Earnings on Capital ...	84,180	2,45,906	2,69,163	1,51,380
Percentage of Nett Tax-Free Earnings on Capital	8·55%	25%	27·11%	15·15%
Allocation to Reserve	15,000	1,25,000	1,22,000	Nil
Carry Forward	2,179	4,393	3,343	...
Dividend on Ordinary Shares (Present Capital)	7%	12%	15%	17%

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	24,38,229
Less Depreciation	9,65,702
Nett Block ...	14,72,527

SRI RAMALINGA CHOODAMBIKAI MILLS LTD.

(Regd. in 1933)

Registered Office ... Uthukuly Road, Tirupur.

Managing Agents ... Messrs. S. Kully Chettiar & Bros.

Capital: Equity ... 9,563 Shares of Rs. 100 each. (as on 31-12-1957) ... Rs. 9,56,300

In May 1957, the company issued 9563 shares each at par to shareholders, payment to be in five instalments Rs. 20 before 15th June 1957, with the application, Rs. 20 on allotment, Rs. 20 before 15th October 1957, Rs. 20 before 15th December 1957, and Rs. 20 before 15th February 1958. New shares rank for dividend on the amounts paid up from the date of such payments.

Reserve Funds ... General ... ... Rs. 2,97,770

Contingency ... ... 1,23,473 — 4,21,243

Bonus Issue ... In 1947, Rs. 4,78,100 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDEND paid in April.

Dividends ...

1949	15%	1953	10%
1950	9%	1954	15%
1951	10%	1955	15%
1952	6%	1956	20%

Products Manufactured Cotton Yarn of 20s, 26s and 40s and Staple Fibre Yarn of 20s. 30s, 40s, 60s, 14s and 2/40s.

Present Equipment ... Number of Spindles: Ring ... 23,524

Doubling ... 900

24,424

Additions and Proposed Expansions New Buildings constructed to house 10,000 spindles of which 5000 spindles are expected to be installed before the end of the year and the balance 5000 spindles in 1958.

Note ... The Mills have a Power Generator of 190 KVA which will supplement about 30% of power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 84 nP. 00

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block...	214	50	per share.
2. Excess of Liabilities over Liquid assets	76	67	„
Net Value ...	137	83	„

Current Market Price: Rs. 171 **Yield on Last Dividend:** 7.38% Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	18,324	18,794	21,172	21,704
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	3,87,437	7,19,796	6,74,939	6,75,265
Profit per Spindle based on the above...	21-2-4	38-4-9	31-14-0	31·11
Allocation to Depreciation	2,91,935	3,23,114	4,87,695	3,47,296
Allocation to Taxation	...	2,00,000	45,000	66,000
Nett Tax-Free Earnings on Capital ...	95,502	1,96,682	1,42,244	2,61,339
Percentage of Nett Tax-Free Earnings on Capital	10·0%	20·57%	14·87%	27·32%
Allocation to Reserves	...	...	...	...
Carry Forward	3,045	6,294	4,355	64,009
Dividend on Ordinary shares (Present Capital)	10%	15%	15%	20%
Dividend on Capital issued for Cash ...	20%	30%	30%	40%
Highest and Lowest prices of Shares ...	148/8-142/8	160-132/8	220-160	285-216-50

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	42,11,447
Less Depreciation	21,60,265
Nett Block ...	20,51,182

SRI RAMAKRISHNA MILLS (COIMBATORE) LTD.

(REGD. IN 1946)

Registered Office ... Ganapathi, Coimbatore.

Managing Agents ... Messrs. S. N. Rangaswami Naidu & Sons, Coimbatore.

Capital : Equity ... 14,923 shares of Rs. 100 each ... 14,92,300 Rs.
4,459 shares of Rs. 10 each ... 44,590
... 15,36,890
Less : calls in arrears ... 5,587
15,31,303

Debentures ... Mortgage Loan from Bank (outstanding as on March 1957) 1,30,000

Reserve Fund ... General 10,061

Accounts ... Closed as at 31st March.

Dividends ... 1953 ... 3%
1954 ... 6%
1955 ... 10%

DIVIDENDS paid in July.
1956 ... 10%
1957 ... 16%

Present Equipment ... Number of Spindles 29,740

Products Manufactured Cotton Yarn of 60s and 80s. Staple Fibre Yarn of 20s.

Additions and Proposed Expansions In 1956-57 additions were 7,560 spindles besides Reeling Shed, Vacuum Stripping Plant room and Canteen. Proposed expansions in 1957-58 are 2,520 spindles, 736 Doubling spindles, and a multiple Vacuum Stripping Plant besides buildings like Time Office, Mill store and Creche.

Note ... They have a Power Generator to supplement 30% of their ... power requirements when put to working.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 117 nP. 43

Break-up-value of Ordinary share in relation to
1. Nett Block... ... ... Rs. 227 nP. 23 per share.
2. Excess of Liabilities over Liquid Assets ... ... 126 72 "
Nett Value ... 100 51 "

Current Market Price : Rs. 200. **Yield on Last Dividend** : 8.00 Tax-free.

Sri Ramakrishna Mills (Coimbatore) Ltd.—(*contd.*)

ANALYSIS OF WORKING

AS AT 31ST MARCH	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours ...	5,006	9,424	13,796	18,807
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation ...	4,50,611	7,13,775	9,48,463	16,95,838
PROFIT per SPINDLE based on the above ...	90-0-3	75-11-10	68-11-6	90·71
Allocation to Depreciation ...	4,00,000	6,10,331	8,31,121	11,19,158
Allocation to Taxation ...	...	...	15,000	3,50,000
NETT TAX-FREE EARNINGS on Ordinary Capital ...	50,611	1,03,444	1,02,342	2,26,680
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital ...	6·9%	12·33%	10·3%	14·75%
Allocation to Reserve ...	...	...	...	...
Carry Forward ...	11,190	38,262	4,851	3,369
DIVIDEND on Ordinary Shares (Present Capital) ...	6%	10%	10%	16%
Highest and Lowest prices of Shares ...	100	100-110	115-105	200-130

Fixed assets as at 31st March, 1957

	Rs.
Gross Block	65,93,030
Less Depreciation	31,00,801
NETT BLOCK ...	34,92,229

SRI RANGA VILAS GINNING SPINNING AND WEAVING MILLS LTD.

(REGD. IN 1922)

Registered Office ... Peelamedu, Coimbatore.

Managing Agents ... Messrs. P. S. Govindaswamy Naidu & Sons.

Capital : Equity	... 30,050 Shares of Rs. 50 each. ...		Rs. ... 15,02,500
		Rs.	
Reserve Funds	... General	... 6,70,000	
	Machinery Replacement ...	... 9,50,000	
			16,20,000

Bonus Issue ... In 1947, Rs. 7,51,250 was capitalised out of Reserves and distributed in the proportion of one share free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in August.

Dividends ...

1949	6%	1953	7½%
1950	7%	1954	12%
1951	7½%	1955	16%
1952	6%	1956	14%

Present Equipment ... Number of Spindles :

Ring	... 33,824	
Waste Mule	... 468	
Doubling	... 2,076	
		36,368
Number of Looms		88

Products Manufactured... Cotton Yarn 2s (Waste Yarn,) and 20s to 80s, single and folded, Staple Fibre Yarn of 20s to 40s, single and folded. Also Mulls, Long Cloth, Gada and Dhoties.

Additions and Proposed Expansions Installed 8 cards and 1,696 Spindles in 1956. Propose to add a further 1,272 Spindles. Have also applied for a further 10,000 Spindles.

Note ... The Mills have a Power Generating Set to meet 35% of their power requirements, when put to working.

		Rs. nP.
Capitalisation ... Taking Nett Block :	Per Spindle	60 96
	Per Loom	1,219 20

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block...	77 35	per share.
	2. Surplus of Liquid Assets over Liabilities	26 97	,,
	Total ...	104 32	,,

Current Market Price: Rs. 65.00. **Yield on Last Dividend** : 10.77%. Tax-free.

Sri Ranga Vilas Ginning, Spinning & Weaving Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	26,981	27,645	28,555	27,426
Number of Looms worked per shift of 8 hours	74	74	76	67
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	3,67,175	4,17,886	6,22,020	4,00,984
Profit per Spindle based on the above ...	12-14-5	14-5-7	20-10-11	13·94
Allocation to Depreciation	1,30,330	1,32,718	1,61,079	2,00,024
Allocation to Taxation	37,466	1,34,650	...	...
Nett Tax-Free Earnings on Capital ...	1,99,379	1,50,518	4,60,491	2,00,960
Percentage of Nett Tax-Free Earnings on Capital	13·27%	10·0%	30·65%	13·38%
Allocation to Reserves	94,000	70,000	2,00,000	...
Carry Forward	5,099	982	21,523	12,133
Dividend on Ordinary Shares (Present Capital)	7·5%	12·0%*	16%	14·0%
Dividend on Capital issued for Cash ...	15%	24%	32%	28%
Highest and Lowest prices of Shares ...	50-41	71-45	84/8-57/8	117-70

* Dividend paid drawing Rs. 95,665 from the balance in the Bonus Reserve Account.

Fixed assets as at 31st December, 1956

		Rs.
Gross Block	...	50,78,128
Less Depreciation	...	27,53,891
Nett Block	...	23,24,237

THE RAYALASEEMA MILLS LTD.

(REGD. IN 1945)

Registered Office ... Rayanagar, Thungabhadra Road, Adoni P. O.

Managing Agents ... The Rayalaseema Development Company, Adoni.

Capital : Equity ... 22,338 Shares of Rs. 100 each ... Rs. 22,33,800
Less Calls in arrears time-baned ... 2,050 — 22,31,750

Debentures ... Loan from the Government of Andhra under the State Aid to Industries Act (outstanding as on 31-12-1956) ... 5,95,719

Reserve Funds ... General ... Rs. 7,50,000
Plant Replacement ... 3,00,000
Dividend Equalisation ... 1,80,000 — 12,30,000

Accounts ... Closed as at 31st December.

Dividends ... 1951 ... 6%; 1952 ... 6%; 1953 ... 6%

DIVIDEND paid in April. 1954 ... 9%; 1955 ... 10%; 1956 ... 10%

Present Equipment ... Number of Spindles ... 15,600

Products Manufactured Cotton Yarn of 20s, and 26s.

Additions and Proposed Expansions One Ruling shed was constructed. 6400 Spindles ordered for have been received and are working from September 1957. Propose to construct a Rest Shed.

Capitalisation ... Taking Nett Block : Per Spindle ... Rs. 182 nP. 26

Break-up-value of Ordinary share in relation to
1. Nett Block... ... Rs. 127 nP. 28 per share
2. Surplus of Liquid Assets over Liabilities ... 29 12 "
Total ... 156 40 "

Current Market Price : Rs. 123.

Yield on Last Dividend : 8.13 % Tax-free

The Rayalaseema Mills Ltd.—(contd.)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	12,020	14,388	13,537	13,964
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	7,14,937	6,25,506	8,69,109	8,62,637
Profit per Spindle based on the above.	59-7-8	43-7-7	64-3-3	61·76
Allocation to Depreciation ...	3,15,342	3,82,687	3,84,884	3,16,594
Allocation Taxation ...	50,000	10,000	2,25,000	3,20,000
Nett Tax-free Earnings on Capital ...	3,49,596	2,32,820	2,59,225	2,26,340
Percentage of Nett Tax-free Earnings on Ordinary Capital ...	15·65%	10·47%	11·6%	10·12%
Allocation to Reserve ...	2,00,000	50,000	30,000	...
Carry Forward ...	41,727	23,505	29,340	32,012
Dividend on Ordinary Shares ...	6%	9%	10%	10%
Highest and Lowest prices of Shares ...	76-65	101/8-70	134-86	162-133.50

Fixed assets as at 31st December, 1956

	Rs.
Gross Block ...	49,63,995
Less Depreciation ...	21,20,814
Nett Block ...	28,43,181

SRI SARADA MILLS LTD.
(Regd. in 1934)

Registered Office	... Podanur (Coimbatore Dt.)		
Managing Agents	... Messrs. V. S. Sengottaiah & Bros.	Rs.	Rs.
Capital Equity	... 6,348 Ordinary Shares of Rs. 100 each ...	6,34,800	
Preference	... 1,000 (7% C. T. F.) Shares of Rs. 100 each	1,00,000	
		7,34,800	
Add :	... Forfeited shares	2,225	
			7,37,025
Debentures	... Mortgage Loan on Fixed Assets ...		7,00,000
Accounts	... Closed as at 31st December.		

Dividends ... DIVIDENDS paid in August.

1949	... 6%	1953	... Nil.
1950	... Nil.	1954	... 6%
1951	... Nil.	1955	... 10%
1952	... Nil.	1956	... 10%

Present Equipment ... Number of Spindles ... **20,796.** Number of Looms ... **200**

Products Manufactured ... Cotton yarn of 20s, 24s, 30s, and 60s. On Hanks and Cones. Staple fibre yarn of 20s. Also Cloth: Grey Longcloth, Grey Mulls Bleached Longcloth, Bleached Mull, and Grey sheeting for Export to Burma and Far East.

Additions and Proposed Expansions. Added in 1956 Super Cleaner and Humidifier.

Note ... The Mills have a Power Generator to supplement 20% of their requirements when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... Rs. 55 nP. 97

Per Loom ... Rs. 1119 nP. 40

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block ...	218	60	per share.
2. Excess of Liabilities over Liquid Assets ...	95	40	,,
Nett Value ...	123	20	,,

Current Market Price : Rs. 80. **Yield on Last Dividend : 12.50 %**

DALAL & CO.

Sri Sarada Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	19,569	16,000	14,988	15,207
Number of Looms worked per shift of 8 hours	140	171·5	177	173
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	*Loss* 2,30,853	3,31,828	4,25,144	4,34,875
Profit per Spindle based on the above ...	...	17-2-7	22-15-2	23.30
Allocation to Depreciation	•	1,59,508	1,25,111	78,809
Nett Tax-Free Earnings on Capital (after preference dividend) ...	*Loss* 2,30,853	†1,58,320	3,23,032	3,56,066
Percentage of Nett Tax-Free Earnings on Ordinary Capital ...	...	24·9	50·88%	54.98%
Carry Forward	*Loss* 5,68,585	*Loss* 4,55,353	621	1,45,103‡
Dividend on Ordinary Shares ...	...	6%	10%	10%
Highest and Lowest prices of Shares ...	75-86/1	85-61	112-72	144-114

• *Note* : Reserves to the tune of Rs. 3,97,599 was transferred to the Profit and Loss Appropriation Account for writing off previous years' losses and also to provide the balance depreciation for the year 1951.

• Depreciation for the years 1952 and 1953 still remains uncovered.

† After paying preference dividend for 2 years *i.e.*, 1953 and 1954.

‡ After providing Rs. 60,000 for bad and doubtful debts and advances.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block...	27,50,691
Less Depreciation • ...	13,63,003
...Block ...	13,87,689

THE SAROJA MILLS LTD.

(Regd. in 1935)

Registered Office ... Singanallur, Coimbatore.

Managing Agents ... Messrs. Thiagaraja Chetty & Sons, Private, Ltd.

		Rs.	Rs.
Capital : Equity	... 10,188 Shares of Rs. 100 each ...	10,18,800	
	... Add : Forfeited Shares amount paid up	3,800	
			10,22,600
Debentures	... Mortgage loan from Industrial Finance Corporation.		18,50,000
Reserve Fund	... Machinery Replacement		12,24,289

Bonus Issue ... In 1941, Rs. 5,66,000 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in July.

Dividends ...

1949 ...	5%	1953 ...	6%
1950 ...	6¼%	1954 ...	7½%
1951 ...	7½%	1955 ...	6%
1952 ...	6%	1956 ...	Nil

Present Equipment ... Number of Spindles ... (in Coimbatore) 20,744

(in Kappalur) 20,000

40,744

Products Manufactured.. Cotton and Staple Fibre Yarn of 20s to 40s. single and folded and cone Yarn 34s in Coimbatore unit and cotton Yarn 80s and 100s combed yarn as also Staple Fibre Yarn 20s to 60s. single and folded in Kappalur.

Additions and Proposed Expansions Added in 1956, buildings to the tune of Rs. 2,19,613 and Machinery Rs. 19,94,934. During 1956 end, the new Mill at Kappalur went into production with 15,400 spindles and the unit has now 20,000 spindles. Have also applied for additional spindles for manufacture of cotton yarn for export and 12,000 spindles for purely staple fibre spinning.

Note ... The Mills have 2 Diesel Generating Sets to supplement 80% of their power requirements, when put to working.

		Rs.	nP.	
Capitalisation	... Taking Nett Block : Per Spindle	102	12	
		Rs.	nP.	
Break up-value of Ordinary share in relation to	1. Nett Block	362	30	per share.
	2. Excess of Liquid assets over Liabilities	141	12	..
	Total ...	221	18	..

Current Market Price : Rs. 150.

The Saroja Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	14,256	14,887	12,394	14,104‡
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	3,18,826	5,42,128	6,28,829	4,86,287
Profit per Spindle based on the above ...	22-5-9	36-6-9	50-12-5	34·47
Allocation to Depreciation ...	91,206	84,732	2,23,681	1,62,930
Allocation to Taxation ...	*	*	*	Nil
Nett Tax-free Earnings on Capital ...	2,27,620*	4,57,397*	4,05,148*	3,23,357†
Percentage of Nett Tax-free Earnings on Capital ...	*	*	*	31·74%
Allocation to Reserves ...	*	*	*	...
Dividend on ordinary Shares (Present Capital) ...	6%	7·5%	6·0%	...
Dividend on Capital issued for Cash ...	18%	22·5%	18·0%	...
Highest and Lowest prices of Shares ...	75	75–95	95–100	135–100

*The balance of profit after payment of dividend has been carried to Taxation and General Reserve which stood as at 31-12-1956 at Rs. 8,61,519, out of which the General Reserve is Rs. 5,947 and Taxation Reserve Rs. 8,55,672.

‡ Since the Kappalur unit worked only for a short period in 1956, this figure of of 14,104 relates to Coimbatore unit alone.

† To provide initial and additional depreciation of Rs. 5,99,289, not only the profit of Rs. 3,23,419 was set off but also Rs. 2,75,932 was drawn from the General and Taxation Reserve.

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	50,21,723
Less Depreciation	13,30,539
Nett Block ...	36,91,184

SREE SHANKARA TEXTILE MILLS LTD.

(REGD. IN 1946)

Registered Office ... Krishnarajendra Road, Post Box No. 3, Davangere.

Managing Agents ... Messrs. Murugharajendra Company, Davangere.

Capital : Equity ...

	Rs.	Rs.
25,259 Shares of Rs. 100 each	... 25,25,900	
Less 5,791 Shares forfeited...	... 5,59,100	
	19,46,800	
Add 77 Shares forfeiture cancelled	... 7,700	
	19,54,500	
Less calls in arrears ...	... 600	
	19,53,900	
Add Forfeited Shares (amount paid-up)...	1,19,210	
		20,73,110

Debentures ... Mortgage Loan from Mysore Government ... 4,74,812

Accounts ... Closed as at 31st March. DIVIDENDS paid in October.

Dividends ...

1951 ...	5%	1954 ...	Nil.
1952 ...	Nil.	1955 ...	Nil.
1953 ...	Nil.	1956 ...	5%

Present Equipment ... Number of Spindles : Ring ... 15,280

Doubling ... 768

16,048

Number of Looms 10

Cone Winding Machine, Doubling Machine and Knitting Machine.

Products Manufactured Yarn of 10s to 80s. Staple Fibre Yarn

Capitalisation ... Taking Nett Block :

	Rs.	nP.
Per Spindle	161	11
Per Loom	3,222	20

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	148	82	per share
2. Excess of Liabilities over Liquid Assets	40	44	"
Net Value ...	108	38	"

Current Market Price : Rs. 75 Nominal. **Yield on Last Dividend** : 6·66% Tax-free.

ANALYSIS OF WORKING

AS AT 31ST MARCH	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	16,500	16,617	16,168	16,168
Number of Looms worked per shift of 8 hours	9	9	...	...
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	*Loss* 27,740	63,867	4,47,167	3,11,531
PROFIT per SPINDLE based on the above ...	...	3-12-2	27-10-6	19·27
Allocation to Depreciation	...	...	4,09,371	2,75,173
Allocation to Taxation	...	...	...	...
NETT TAX-FREE EARNINGS on Capital ...	...	63,867	37,796	36,358
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	...	3·08%	1·8%	1·86%
Carry Forward	4,102	67,969	1,05,765	44,427
DIVIDEND on Ordinary Shares ...	...	...	...	5 %
Highest and Lowest prices of Shares ..	75*	75*	75*	75*

* Nominal.

Fixed assets as at 31st March, 1956.

		Rs.
Gross Block	...	41,76,689
Less Depreciation	...	12,68,939
NETT BLOCK	...	29,07,750

SREE SHANMUGAR MILLS LTD.

(REGD. IN 1945)

Registered Office ... Rajapalayam.

Managing Agents ... Sree Alagai Private Ltd.

		Rs.	Rs.
Capital: Ordinary	... 8,359 Shares of Rs. 100 each ...	8,35,900	
Preference	... 141 (7½%) Cumulative Shares of Rs. 100 each.	14,100	
		8,50,000	
	Less allotment money (time-bared) ...	6,150	
			8,43,850

Dividends ... 1951 ... 5% ; 1952 ... Nil ; 1953 ... Nil ; 1954 ... Nil

Accounts ... Closed as at 31st July and submitted in October.

Present Equipment ... Number of Spindles 5,500

Products Manufactured... Cotton Yarn of 26s, and 20s.

Additions and Proposed Expansions ... Have secured allotment of 6,000 spindle under the substantial expansion scheme and the machineries are now under erection one by one.

Capitalisation ... Taking Nett Block per Spindle ... Rs. 145 nP. 00

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	95	40	per share.
2. Excess of Liabilities over Liquid Assets	24	50	"
Nett Value ...	70	90	"

Current Market Price: Rs. 50 (Nominal).

ANALYSIS OF WORKING	1951	1952	1954
Number of Spindles worked	5,424	4,882	4,950
	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	1,89,388	68,883	*Loss* 24,161
PROFIT per SPINDLE based on the above ...	34-14-8	14-1-9	Nil
Allocation to Depreciation	92,152	84,375	72,053
NETT TAX-FREE EARNINGS on Capital	97,130	*Loss* 15,492	*Loss* 96,214
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	11·6%	...	...
DIVIDEND on Ordinary Shares	5%	...	...
Carry Forward	...	*Loss* 1,79,825	*Loss* 3,33,356

Note :—The Report and Accounts for 31st July, 1953 and 1954 were published only in May, 1957. Balance Sheets for the subsequent years are yet to be published.

Fixed assets as 31st July, 1954.

	Rs.
Gross Block	14,50,738
Less Depreciation	6,53,405
NETT BLOCK ...	7,97,333

SIVANANDHA MILLS LTD.

(REGD. IN 1950).

Registered Office	...	Sravanampatti Mills' premises, Coimbatore.		
Managing Agents	...	Messrs. S. R. P. Ponnuswamy Chetty & Sons.		
			Rs.	Rs.
Capital Equity	...	1,00,000 Shares of Rs. 10 each ...	10,00,000	
		Less calls in arrears	991	9,99,009
Debentures	...	Loan from Madras Industrial Investment Corporation		11,73,333
Reserve Funds	...	General	5,00,000	
		Contingency	75,000	5,75,000

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in June.

1951 ...	3%	1954 ...	9%
1952 ...	3%	1955 ...	12%
1953 ...	3%	1956 ...	12%

Present Equipment ... Number of Spindles **25,088**

Products Manufactured Cotton Yarn of 60s and 80s Carded. Staple Fibre Yarn of 20s.

Additions and Proposed Expansions Additional Godowns were built and extensions were made to the Reeling Department. 10 Ring Frames were purchased besides 10 Carding Engines and 51 Reeling Machines. Buildings under construction are (1) Time Office, (2) Canteen and (3) Godowns. Have also bought a 310 H. P. Generator besides the one already they are having.

Note ... The Mills have a 'Duetz' generating set to supplement 60% of their power requirements when put to working.

			Rs. nP.	
Capitalisation	...	Taking Nett Block : Per Spindle	99 74	
			Rs. nP.	
Break-up-value of Ordinary share in relation to		1. Nett Block...	25 02	per share.
		2. Excess of Liabilities over Liquid Assets	9 98	,,
		Nett Value ...	15 04	,,

Current Market Price : Rs. 14.

Yield on Last Dividend : 8.57% Tax-free.

Sivanandha Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	6,271	9,850	12,433	16 475
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	1,95,924	7,17,069	8,73,564	9,39,686
Profit per Spindle based on the above ...	31-3-11	72-12-9	70-4-2	57·04
Allocation to Depreciation	83,600	1,79,571	6,27,782	6,28,230
Allocation to Taxation	...	...	1,30,000	1,22,403
Nett Tax-Free Earnings on Capital ...	1,12,294	5,37,498	1,15,782	1,89,033
Percentage of Nett Tax-Free Earnings on Ordinary Capital	14·74%	68·4%	11·6%	18·90%
Allocation to Reserves	35,000	4,65,000	...	75,000
Carry Forward	...	2,347	9,143	4,498
Dividend on Ordinary Shares ...	3%*	9%	12%	12%
Highest and Lowest prices of share ...	10†	10-11	12-11	15-13

* 3% per annum for each year from the date of allotment. † *Nominal.*

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	40,18,892
Less Depreciation	15,16,682
Nett Block ...	25,02,210

SOUNDARARAJA MILLS LTD.

(Regd. in 1937)

Registered Office ... Dindigul (Madura Dt.)

Managing Agents ... G. T. Narayanaswamy Naidu & Co.

		Rs.	
Capital: Equity	... 5,000 Shares of Rs. 100 each ...	5,00,000	
Preference	... 1,000 (6½% C. T. F.) Shares of 100 each...	1,00,000	
			6,00,0

		Rs.	
Reserve Funds	... General	3,00,000	
	Machinery Replacement	5,50,000	
			8,50,0

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in Ma

1950 ... 7%	1954 ... 7%
1951 ... 7%	1955 ... 12%
1952 ... 7%	1956 ... 12%
1953 ... 7%	

Present Equipment ... Number of Spindles 23,60

Products Manufactured Cotton Yarn of 40s.

Additions and Proposed Expansions In 1956 added 3,200 Spindles. Orders have been placed for a further 2,000 spindles.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 60 nP. 97

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Taking Nett Block	297	78	per share.
2. Excess of Liabilities over Liquid Assets	9	36	,,
Total ...	288	42	,,

Current Market Price: Rs. 150 **Yield on Last Dividend:** 8% Tax-free.

Soundararaja Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	16,920	18,600	19,240
	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	8,94,871	8,61,930	8,62,655
Profit per Spindle based on the above ...	52–14–3	46–5–5	44.84
Allocation to Depreciation	3,71,998	4,13,720	4,34,844
Allocation to Taxation	2,32,000	2,25,000	4,50,000
Nett Tax-free Earnings on Ordinary Capital after preference dividend	2,84,375	2,16,710	1,71,611
Percentage of Nett Tax-free Earnings on Ordinary Capital.	56·87%	43·34%	34·32%
Allocation to Reserves	2,45,000	1,00,000	70,000
Carry Forward	4,445	484	42,095
Dividend on Ordinary Shares	7%	12%	12%
Highest and Lowest Prices of Shares	123*	135–125	150–135

* Nominal.

Fixed assets as at 31st December, 1957

		Rs.
Gross Block	...	39,19,271
Less Depreciation	...	24,80,377
Nett Block	...	14,38,894

THIRUMAGAL MILLS LTD.

(Regd. in 1937)

		Rs.	Rs.
Registered Office ...	Katpadi Road, Gudiyattam.		
Managing Agents ...	Thirumal & Co., Private Ltd.		
Capital : Equity ...	11,020 Shares of Rs. 100 each ...	11,02,000	
	27,550 Shares of Rs. 10 each ...	2,75,500	
Preference ...	1,421 (9% C.T.F.) Shares of Rs. 100 each	1,42,100	15,19,600
Reserve Funds ...	General	5,00,000	
	Machinary Replacement	1,00,000	
	Dividend Equalisation	10,000	
	Reserve for Cotton fluctuation ...	1,00,000	
	Reserve for contingencies ...	20,000	7,30,000

Bonus Issues ... In 1947, Rs. 5,51,000 was capitalised out of Reserves and distributed in the proportion of one share free for every share held. In 1948 capital was further increased by capitalising Rs. 2,75,500 out of Reserves and issuing the same in the form of Rs. 10 paid-up ordinaries in the proportion of five shares (Rs. 10 paid) free for every two shares (Rs. 100 paid) held.

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in June.

1949 ...	12%	1953 ...	8%
1950 ...	8%	1954 ...	12%
1951 ...	12%	1955 ...	14%
1952 ...	7%	1956 ...	16%

Present Equipment ... Number of Spindles 18,688

Products Manufactured. 20s to 80s carded, 80s to 100s combed and also Staple Fibre yarn of 20s, 30s, 32s and 2/40s.

Additions and Proposed Expansions Added in 1956, three Cards, Four Swiss Draw Frames were added. Under erection one High Draft speed frame, three Cards and two Draw Frames.

Note ... They have a Diesel Generator to supplement 35% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. 37 nP. 86

(Rs. 100 paid).

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	51	36	per share.
2. Surplus of Liquid Assets over Liabilities	116	37	
Total ...	167	73	

Yield on Last Dividend : 12.8% Tax-free.

Current Market Price : Rs. 125.

Thirumagal Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	15,400	11,243	14,267	14,224
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	2,78,319	6,11,134	5,80,431	8,70,167
Profit per Spindle based on the above ...	18-1-2	54-5-9	40-10-11	16·18
Allocation to Depreciation	97,065	1,36,439	1,06,427	1,71,059
Allocation to Taxation	...	1,70,000	2,15,000	3,36,000
Nett Tax-Free Earnings on Capital (after preference dividend) ...	1,81,254†	2,91,906	2,46,216	3,20,319
Percentage of Nett Tax-Free Earnings on Ordinary Capital	12·2%	21·2%	17·87%	23·25%
Allocation to Reserves	...	25,000	52,500	1,00,000
Carry Forward	Loss 1,24,937	11,517	12,383	12,302
Dividend on Ordinary Shares (Present Capital)	8%‡	12%	14%	16%
Dividend on Capital issued for Cash ...	20%	30%	35%	40%
Highest and Lowest prices of Shares ...	120-100	120-110	120-110	125-120

† Set off against previous year's Loss, leaving a balance Loss of Rs. 1,24,937.

‡ Dividend paid drawing Rs. 1,25,000 from the Reserve for Contingency Fund.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	... 24,30,536
Less Depreciation	... 17,23,053
Nett Block ...	7,07,483

TIRUMURTI MILLS LTD.

(Regd. in 1935)

Registered Office ... Bodipatti, Udumalpet.

Managing Agents ... Messrs. Jayalakshmi & Co.

Capital: Equity ...

	Rs.	Rs.
8,780 Shares of Rs. 100 each.	... 8,78,000	
Less Calls in arrears (time barred)	... 2,575	
	8,75,425	
Add amount paid-up on forfeited shares	1,600	8,77,025

Reserve Funds ...

General	... 3,30,000	
Dividend Equalisation ...	... 97,664	
Machinery Replacement ...	... 50,000	4,47,664

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in July.

1949	... 10%	1953	... 5%
1950	... 9%	1954	... 10%
1951	... 10%	1955	... 15%
1952	... 3%	1956	... 16%

Present Equipment ... Number of Spindles ... **28,384**. Number of Looms ... **75**

Products Manufactured.. Cotton Yarn of 20s to 80s. Staple Fibre Yarns of 20s to 40s.

Cloth: ... Longcloth Tm-45 Bleached Mull, and Tm-505 Bleached.

Additions and Proposed Expansions } Added **6,784** spindles in 1956.

Capitalisation ... Taking Nett Block:

	Rs.	nP.
Per Spindle	70	26
Per Loom	1,405	20

Break-up-value of Ordinary share in relation to

	Rs.	nP	
1. Nett Block	239	13	per share
2. Excess of Liabilities over Liquid Assets	84	17	,,
Nett Value ...	154	96	,,

Current Market Price: Rs. 150.

Yield on Last Dividend: 10.66% Tax-free.

irumurti Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	16,556	17,043	20,838	20,262
Number of Looms worked per shift of 8 hours ...	...	...	32	52
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	3,82,183	4,50,473	5,46,824	4,92,965
Profit per Spindle based on the above...	23-1-4	26-6-11	25-7-4	23·14
Allocation to Depreciation ...	2,44,646	3,44,246	2,99,743	2,61,273
Allocation to Taxation ...	...	15,000	1,20,000	90,000
Nett Tax-Free Earnings on Capital ...	1,37,537	1,06,227	1,27,081	1,41,692
Percentage of Nett Tax-Free Earnings on Ordinary Capital ...	15·66%	12·1%	14·6%	16·14%
Allocation to Reserve ...	...	...	...	...
Carry Forward ...	35	5,828	3,760	5,877
Dividend on Ordinary Shares ...	5%	10%	15%	16%
Highest and Lowest prices of Shares ...	100-100	110-100	130-110	150-130

Fixed asset at 31st December, 1956

		Rs.
Gross Block	... ...	42,09,887
Less Depreciation	... ...	21,10,287
	Nett Block ...	20,99,600

THE TRICHINOPOLY MILLS LTD.

(Regd. in 1935)

Registered Office ... Ramjeenagar, Tiruchirapalli.

Managing Agents ... Messrs. Mooljee Ramjee & Sons.

Capital : Equity ... 1,39,867 Shares of Rs. 10 each ... ... Rs. 13,98,670

Reserve Funds ...

		Rs.	
General	...	2,50,000	
Rehabilitation Reserve	...	5,00,000	
Dividend Equalisation	...	2,00,000	9,50,000

Bonus Issues ... In 1947, Rs. 3,11,030 was capitalised out of Reserves and distributed in the proportion of one share free for every two shares held. In April 1951, Rs. 4,66,495 was capitalised out of Reserves and distributed in the proportion of one share free for every two shares held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in April.

Dividends ...

1949	10%	1953	7%
1950	10%	1954	9%
1951	10%	1955	9%
1952	7% (on increased Capital).	1956	11¼%

Present Equipment ... No. of Spindles 20,032

Products Manufactured Cotton Yarn of 40s and 2/40s, 60s and 2/60s and Staple Fibre Yarn of 40s, 2/40s, and 2/60s.

Additions and Proposed Expansions In 1956 added 688 Doubling Spindles.

Capitalisation ... Taking Nett Block : Per Spindle ... ... Rs. nP. 25 36

Break-up-value of Ordinary share in relation to

	Rs. nP.	
1. Nett Block		... Per share.
2. Surplus of Liquid Assets over Liabilities ...	3 63	
	14 61	,,
Total ...	18 24	,,

Current Market Price : Rs. 12.50. **Yield on Last Dividend** : 9.00 % Tax-fre

The Trichinopoly Mills Ltd.—*(contd.)*

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	15,598	15,540	15,527	16,497
Nett Profit before allowing for Depreciation and Taxation	Rs. 57,607	Rs. 4,61,869	Rs. 2,65,330	Rs. 5,85,782
Profit per Spindle based on the above ...	3-11-1	29-11-6	17-:-5	35·51
Allocation to Depreciation	55,537	47,677	92,151	1,20,435
Taxation	...	1,84,000	50,000	1,75,000
Nett Tax-Free Earnings on Ordinary Capital	2,071	2,30,192	1,23,179	2,90,347
Percentage of Nett Tax-Free Earnings on Ordinary Capital	0·15%	16·46%	8·8%	20·76%
Allocation to Reserves	...	1,00,000	...	71,668
Carry Forward	...	8,321	1,508	82,837
Dividend on Ordinary Shares (Present Capital)	7%*	9%	9%	11·25%
Dividend on Capital issued for Cash ...	15·74%	20·24%	20·24%	25·30%
Highest and Lowest prices of Shares ...	10/2-8/9	12/4-8/11	13/12-12	14/25-12/25

* Dividend paid drawing Rs. 90,000 from the Dividend Equalisation Fund.

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	17,49,881
Less Depreciation	12,41,858
Nett Block ...	5,08,023

THE TUTICORIN SPINNING MILLS LTD.

(Regd. in 1947)

Registered Office ... Palamcottah Road, Tuticorin.

Managing Director ... A. M. M. Sinnamani

		Rs.	Rs.
Capital: Equity ...	20,000 Shares of Rs. 100 each ...	20,00,000	
	Less calls in arrears	14,495	
			19,85,505
Debentures ...	Mortgage Loan secured from the Madras Industrial Investment Corporation		20,16,447
Reserve Fund ...	... ...		8,00,000

Accounts ... Closed as at 31st March. DIVIDENDS paid in July.

Dividend ... 1953 ... 3% 1954 ... 4% 1955 ... 9% 1956 ... 10% 1957 ... 12%

Present Equipment ... Number of Spindles 24,000

Products Manufactured Cotton Yarn of 26s.

Additions and Proposed Expansions. Installed additional 8,000 spindles in 1956–57. Buildings to house 16,000 spindles completed. Against the orders for 16,000 spindles, 12 Ring Frames and 11 Carding Engines of Textools make are expected to be received and erected before the end of the year.

Note ... ... The Mills have a Diesel Generator of 300 H. P. and one Transformer of 400 KVA. Another 500 KVA Transformer is under erection. The Generator will supplement about 25% of their requirements when put to working.

Capitalisation ... Taking Nett Block: Per Spindle ... ... Rs. 148 nP. 84

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	178	61	per share.
2. Excess of Liabilities over Liquid assets	32	20	,,
Nett Value ..	146	41	,,

Current Marked Price: Rs. 120. **Yield on Last Dividend:** 10%

The Tuticorin Spinning Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st March	1954	1955	1956	1957
Number of Spindles worked per shift of 8 hours	6,267†	12,000	13,500	16,240
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	3,59,950	7,22,703	9,44,962	10,00,118
Profit per Spindle based on the above ...	57-7-0	60-3-7	69-15-11	61·58
Allocation to Depreciation	2,99,364	3,87,872	3,00,000	... **
Allocation to Taxation	...	...	...	3,03,261
Nett Tax-Free Earnings on Capital ...	60,586	3,34,831	6,44,962	6,96,856
Percentage of Nett Tax-Free Earnings on Ordinary Capital	3·7%	18·8%	33·76%	34·84%
Allocation to Reserves	...	...	1,97,000	6,00,000
Carry Forward	Loss 1,68,928	12,165	2,81,857	1,42,794
Dividend on Ordinary Shares (Present Capital)	4%	9%	10%	12%
Highest and Lowest Prices of Shares ...	75	80	100-80	120-100

** No depreciation provided this year as the normal depreciation allowable upto 31-3-1957 for double shift in respect of the assets is less than Rs. 14,00,000, already provided.

† 6,000 Spindles worked up to January, 1954 and 7,600 Spindles worked from February, 1954 in the year 1953-54.

Fixed assets as at 31st March, 1957.

			Rs.
Gross Block ...	...	...	... 49,72,199
Less Depreciation	...	...	... 14,00,000
		Nett Block	... 35,72,199

THE VASANTA MILLS LTD.

(REGD. IN 1929)

Registered Office ... Singanallur, Coimbatore Dt.

Managing Agents ... Messrs. R. K. Shanmukham Chetty & Bros.

		Rs.	Rs.
Capital: Equity	... 21,000 Shares of Rs. 100 each	... 21,00,000	
Preference	... 3,000 (6½% C.T.F.) Shares of Rs. 100 each	3,00,000	
	1,500 (6% C.T.F.) Shares of Rs. 100 each...	1,50,000	
			25,50,000
Reserve Funds	... General	... 18,00,000	
	Dividend Equalisation ...	... 7,00,000	
	Investment Reserve ...	... 50,000	
	Replacement and Renovation of Machinery	... 11,00,000	
	Contingency	... 2,00,000	
			38,50,000

Bonus Issue ... In 1948, Rs. 14,00,000 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held.

Accounts ... Closed as at 31st December.

Dividends ... DIVIDENDS paid in April.

1949 ... 5%		1953 ... 12%	
1950 ... 9%		1954 ... 15%	
1951 ... 10%		1955 ... 20%	
1952 ... 12%		1956 ... 20%	

Present Equipment ... Number of Spindles: Ring ... 44,424

Doubling ... 4,550

48,974

Number of Looms 270

The Mills have Bleaching and Finishing, Drying, Dyeing and Winding Plants. They have also two Tape Looms and seven Knitting Machines.

Products Manufactured Yarn of 20s, 40s, 60s and 80s Single, folded, Staple Fibre yarn of 40s and 2/40s. Combed and Mercerised. Also Dhoties, Mulls, Towels, Longcloth and Knitting Tubes.

Additions and Proposed Expansions { In 1956 added Blow Room line, Doubling Machine, Baling Press, Reeling Machines, Shirley Analyser, Sizing Machine etc. One Generator set is proposed to be added.

Note ... ... The Mills have two Power Generators to supplement 35% of their power requirements, when put to working.

		Rs. nP.
Capitalisation ... Taking Nett Block:	Per Spindle	61 61
	Per Loom	1,232 20

The Vasanta Mills Ltd.—(*contd.*)

		Rs. nP.	
Break-up value of Ordinary share in relation to	1. Nett Block ...	... 159 53	Per share.
	2. Surplus of Liquid Assets over Liabilities ...	... 125 90	,,
	Total	... 285 43	

Current Market Price: Rs. 278.00 **Yield on Last Dividend**: 7.2% Tax-free.

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	29,375	32,730	40,768	42,489
Number of Looms worked per shift of 8 hours ...	234	263	263	260
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation ...	11,63,418	17,19,550	16,92,222	21,86,083
PROFIT per SPINDLE based on the above ...	34-2-7	45-4-3	36-12-3	45.84
Allocation to Depreciation ...	3,54,962	4,72,976	4,67,609	6,99,583
Allocation to Taxation ...	3,50,000	6,00,000	5,00,000	6,00,000
NETT TAX-FREE EARNINGS on Capital (after preference dividend) ...	4,29,956	6,18,074	6,96,113	8,36,500
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital ...	20·48%	29·43%	33·15%	38·38%
Allocation to Reserves ...	1,99,475	3,00,000	2,50,000	4,00,000
Carry Forward ...	28,000	30,500	56,000	44,000
DIVIDEND on Ordinary shares (Present Capital) ...	12%	15%	20%	20%
DIVIDEND on Capital issued for Cash ...	30%	45%	60%	60%
Highest and Lowest prices of Shares ...	170-140	218-172	266-212	345-257.50

Fixed assets as at 31st December, 1956

	Rs.
Gross Block	80,72,634
Less Depreciation	47,22,519
NETT BLOCK ...	33,50,115

SRI VENKATESA MILLS LTD.

(REGD. IN 1933)

Registered Office ... Udumalpet.

Managing Agents ... Messrs. G. V. Govindaswami Naidu & Co.

		Rs.	Rs.
Capital : Equity	... 56,298 Shares of Rs. 50 each ...	28,14,900	
Preference	... 1,000 (6% C. T. F.) Shares of Rs. 50 each	50,000	
			28,64,900
Reserve Funds	... General	1,50,000	
	Machinery Replacement ...	5,00,000	
	Dividend Equalisation	5,00,000	
			11,50,000

Bonus Issue ... In 1947, Rs. 11,00,000 was capitalised out of Reserves and distributed in the proportion of two shares free for every share held. In January, 1954, Rs. 9,90,000 was capitalised ... out of Reserves and distributed in the proportion of 3 ordinary shares free for every 5 ordinary shares held.

Accounts ... Closed as at 31st December. DIVIDENDS paid in June.

Dividends

1948	... 6¾%	1953	... 14% (on the increased capital.)
1949	... 9%	1954	... 27½%
1950	... 12%	1955	... 27½%
1951	... 16%	1956	... 25%
1952	... Nil		

Present Equipment ... Number of Spindles 59,444. Number of Looms 268. Have also Combers, Hank Merceriser and Cone Winders. They have also a Bleaching Factory.

Products Manufactured Yarn of 20s, 40s, 60s, and 80s combed and Staple Fibre Yarn of 2/40s. Also Longcloth and Mull.

Additions and Proposed Expansions 12,000 Spindles added during the year, 1956. The Branch Factory at Kathirvedu is expected to begin working shortly. Propose to add 48 looms.

Note ... The Mills have a Power Generator to supplement about 50% of their power requirements, when put to working.

		Rs. nP.
Capitalisation ... Taking Nett Block :	Per Spindle	69 20
	Per Loom	1,284 00

		Rs. nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	79 65	Per share.
	2. Excess of Liabilities over Liquid Assets	9 03	,,
	Total ...	70 62	,,

Current Market Price : Rs. 128.00 **Yield on Last Dividend :** 9.77 % Tax-Free

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	38,024	44,460	44,161	42,279
Number of Looms worked per shift of 8 hours	224	268	234	241
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	11,55,082	24,68,427	28,42,073	22,08,130
PROFIT per SPINDLE based on the above ...	27-1-0	49-5-7	58-3-0	46.88
Allocation to Depreciation	5,69,641	6,46,451	6,81,273	4,72,810
Allocation to Taxation	2,10,000	8,40,000	11,80,000	10,35,000
NETT TAX-FREE EARNINGS on Capital (after preference dividend) ...	3,69,441	9,78,976	9,97,801	6,97,320
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital ...	14·0%	37·1%	34·64%	24.77%
Allocation to Reserves	...	2,50,000	1,90,300	...
Carry Forward	782	3,757	17,133	10,703
DIVIDEND on Ordinary Shares (Present Capital)	14·0%	27·5%	27·5%	25%
DIVIDEND on Capital Issued for Cash ...	67·2%	107·83%	107·83%	98.03%
Highest and Lowest prices of Shares ...	90-66	112/8-62/8	146-104	198-138

Fixed assets as at 31st December, 1956.

		Rs.
Gross Block	...	1,07,55,993
Less Depreciation	...	62,71,788
NETT BLOCK	...	44,84,205

THE VIJAYAKUMAR MILLS LTD.

(REGD. IN 1946)

Registered Office	...	Kalayamputhur P. O. (*Via*) Palni S. Ry.		
Managing Agents	...	Messrs. R. Guruswamy Naidu & Co.	Rs.	Rs.
Capital: Equity	...	12,000 Shares of Rs. 100 each	... 12,00,000	
Preference	...	8,000 (6% C. T. F.) Redeemable Preference Shares of Rs. 100 each	... 8,00,000	
				20,00,000
Reserve Funds	...	Pref. Share Redemption	... 3,20,000	
		Dividend Equalisation	... 70,000	
				3,90,000

Accounts ... Closed as at 31st December. DIVIDENDS paid in July.

Dividends ...	1953 ... 7½%	1955 ... 10%	
	1954 ... 7½%	1956 ... 12½%	

Present Equipment ... Number of Spindles 29,896

Products Manufactured Cotton Yarn of 20s to 60s.

Additions and Proposed Expansions In 1956 added 736 Ring spindles and 648 Doubling spindles. Permission has been received for 4,000 spindles for spinning Staple Fibre Yarn, out of which 2,100 spindles, have already been installed.

Note ... ... The Mill is Air-conditioned. They have also a Power Generator to supplement 25% of their power requirements, when put to use.

		Rs.	nP.
Capitalisation ...	Taking Nett Block: Per Spindle ...	... 87	12

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block	... 212	33	per share.
	2. Excess of Liabilities over Liquid Assets	... 79	77	,,
	Nett Value	... 132	56	

Current Market Price: Rs. 115.00. **Yield on Last Dividend:** 10·87% Tax-Free.

The Vijayakumar Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	13,137	14,432	15,018	23,6421
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation	5,43,341	8,53 817	2,34,182	10,00,336
Profit per Spindle based on the above ...	41–5–9	59·16	15·59	42·31
Allocation to Depreciation	4,39,839	2,96,676	...	4,11,623**
Taxation	...	...	...	...
Nett Tax-Free Earnings on Capital after Preference Dividend	1,03,502	5,57,141	1,66,182	5,88,703
Percentage of Nett Tax-Free Earnings on Capital	11·3%	48·8%	13·35%	49·06%
Allocation Reserves	...	...	...	3,90,000
Carry Forward	...	...	6,570	1,061
Dividend on Ordinary Shares ...	7·5%	7·5%	10·0%	12·5%
Highest and Lowest Prices of Shares ...	80*	85–80	112–82	

* Nominal.

** Depreciation for 1955 Rs. 2,01,304 and for 1956, Rs. 2,10,319.

Fixed assets as at 31st December, 1956.

				Rs.
Gross Block ...	...	...	...	47,19,566
Less Depreciation	...	...	...	21,61,603
			Nett Block ...	25,57,963

THE VIJAYALAKSHMI MILLS LTD.

(REGD. IN 1935.)

Registered Office	... Kuniyamuthur, Coimbatore.		
Managing Agents	... Messrs. Balakrishna & Co.	Rs.	Rs.
Capital Equity	... (as on 31-12-1956) 9,997 Shares of Rs. 100 each		9,99,700
Note	... In March 1951, the Company issued 5000 Equity Shares at par to the shareholders.		
Reserve Funds	... General	2,00,000	
	Machinery Replacement	1,00,000	
	Contingencies	30,000	3,30,000
Bonus Issue	... In 1948, Rs. 3,33,300 was capitalised out of Reserves and distributed in the proportion of one share free for every two shares held.		
Accounts	... Closed as at 31st December.	DIVIDENDS paid in June.	

Dividends ...

1949 ...	3%	1953 ...	6%
1950 ...	6%	1954 ...	10%
1951 ...	7½%	1955 ...	10%
1952 ...	6%	1956 ...	10%

Present Equipment ... Number of Spindles ... ... 26,[illegible]

Products Manufactured Cotton Yarn of 10s to 60s, single and double and Cone Yarns and Staple Fibre Yarn.

Additions and Proposed Expansions Additions to Buildings and Machinery in 1955 to the tune of Rs. 12,39,980. Propose to add a further 5,200 Spindles with necessary back process.

		Rs.	nP
Capitalisation	... Taking Nett Block : Per Spindle	81	02

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block	217	21	per share.
2. Excess of Liabilities over Liquid Assets	96	65	,,
Total ...	120	56	,,

Current Market Price : Rs. 110.00 **Yield on Last Dividend :** 9.09% Tax-free.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours ...	13,651	17,611	16,222	16,676
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	3,27,650	3,64,340	3,51,823	4,11,724
Profit per Spindle based on the above ...	24-0-0	20-11-0	21-11-0	24·69
Allocation to Depreciation ...	2,31,214	2,55,151	2,16,969	2,35,000
Allocation to Taxation ...	...	...	30,000	11,833
Nett Tax-Free Earnings on Capital ...	96,436	1,09,189	1,04,857	1,64,891
Percentage of Nett Tax-Free Earnings on Capital ...	9·65%	10·92%	10·5%	12·66%
Allocation to Reserves ...	...	17,142	30,000	...
Carry Forward ...	32,293	31,370	1,257	5,200
Dividend on Ordinary Shares (Present Capital) ...	6%	10%	10%	10%
Dividend on Capital issued for cash ...	9%	15%	15%	15%
Highest and Lowest prices of Shares ...	80-70	80-71/8	128-80	152.50-125

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	39,36,878
Less Depreciation	17,65,418
NETT BLOCK ...	21,71,460

VIJAYAMOHINI MILLS LTD.
(REGD. IN 1945)

Registered Office ... Thirumala, Trivandrum.

Governing Director ... N. J. Nair

		Rs.	Rs.
Capital: Equity	... 10,000 Shares of Rs. 100 each ...	10,00,000	
Preference	... 2,000 (6% C. T. F.) shares of Rs. 100 each	2,00,000	
		12,00,000	
	Less calls unpaid ...	75	
			11,99,925
Debentures	... From Kerala Financial Corporation		7,31,533
Reserve Funds	... General	1,50,000	
	Contingency	57,000	
			2,07,000

Accounts ... Closed as at 31st December. **DIVIDENDS paid in April.**

Dividends ...

1951 ...	5%	1954 ...	7½%
1952 ...	5%	1955 ...	Nil
1953 ...	7½%	1956 ...	9%

Present Equipment Number of Spindles 9,726

Products Manufactured Cotton Yarn 20s to 60s, and 2/20s.

Additions and Proposed Expansions Propose to increase the Spindleage by 5,780 Spindles before March 1958.

Capitalisation ... Taking Nett Block ... ... Rs. 130 nP. 16

Break-up-value of Ordinary share in relation to

	Rs.	nP.	
1. Nett Block... ...	126	59	per share.
2. Excess of Liabilities over Liquid Assets	2	07	"
Nett Value ...	124	52	"

Current Market Price: Rs. 81.

Yield on Last Dividend: 11·11%

ANALYSIS OF WORKING

AS AT 31ST DECEMBER	1953	1954	1955	1956
Number of Spindles worked per shift of 8 hours	9,264	8,841	8,939	8,836
	Rs.	Rs.	Rs.	Rs.
NETT PROFIT before allowing for Depreciation and Taxation	2,64,037	2,92,795	1,40,634	4,26,502
PROFIT per SPINDLE based on the above ...	28-8-0	33-1-10	15-11-9	48.27
Allocation to Depreciation	1,46,772	1,55,722	1,59,235	1,60,569
NETT TAX-FREE EARNINGS on Capital after payment of preference dividend ...	1,05,265	1,25,073	*Loss* 18,601	2,39,932
PERCENTAGE OF NETT TAX-FREE EARNINGS on Ordinary Capital	10·52%	12·5%	...	23·99%
Allocation to Reserves	25,000	50,000	...	1,12,000
Carry Forward	16,840	16,968	*Loss* 1,633	38,306
DIVIDEND on Ordinary Shares (Present Capital)	7·5%	7·5%	...	9%
Highest and Lowest prices of Shares ...	75–64	82–60	106–82	105–88

Fixed assets as at 31st December, 1956.

	Rs.
Gross Block	22,97,617
Less Depreciation	10,31,725
NETT BLOCK ...	12,65,892

VIJAYESWARI TEXTILES LTD
PULIYAMPATTI (V/A) POLLACHI.

VIJAYESWARI TEXTILES LIMITED

(REGD. IN 1953)

Registered Office	... Puliampatti (via) Pollachi.		
Managing Agents	... Messrs N. Velayudhaswami Naidu & Sons		
			Rs.
Capital : Equity	... 16,000 Shares of Rs. 100 each	...	... 16,00,000
Accounts	... Closed as at 31st December.		
Present Equipment	... Number of Spindles sanctioned	...	... 10,000
	Out of which erected is 7,140. Balance is under erection.		
Products Manufactured	Cotton Yarn of 20s (hanks & cone).		
Note	... The Mill came into production since 4th February 1957. They have a Generating set to supplement 40% of their power requirements when put to working.		
Current Market Price :	Rs. 98.00		

Fixed Assets as at 31st December, 1956.

Gross Block ... ... Rs. 12,61,700.

No depreciation is reckoned as all the fixed assets were acquired only during the last quarter of 1956.

VIRUDHUNAGAR TEXTILE MILLS LTD. (STATE-AIDED)

(Regd. in 1945).

Registered Office ... Virudhunagar.

Managing Agents ... Messrs. Thiyagaraja Chetty & Sons, (Private) Ltd., Madhurai

Capital: Equity	...	24,699 Shares of Rs. 50 each	Rs.
		Less Rs. 16,453 calls in arrears	12,18,497
Preference	...	2,716 (5%, C.T.F.) Shares of Rs. 100 each Rs. 82/8 called up *Less* Rs. 14,225 calls in arrears	2,09,645
Deferred	...	29,700 Shares of Rs. 5 each (of which 4 annas per share have been called up) and 300 Shares of Rs. 5 each, Re. 1 called up	7,725
		Add: Forfeited Shares	2,66,246
		Total ...	17,02,313

Debentures ... Loan from Madras Industrial Investment Corporation 7,35,287

Accounts ... Closed as at December and submitted in June.

Present Equipment ... Number of Looms 200

Products Manufactured Grey Gada cloth.

Additions and Proposed Expansions Additions to Buildings and Machinery were to the tune of Rs. 82,137

Note ... The Mills have a 100 KVA, 80 KW. Skoda Diesel Generator to supplement 35% of their power requirements, when put to working.

Capitalisation ... Taking Nett Block: Per Loom ... Rs. nP. ...5,914 58

Break-up-value of Ordinary share in relation to		Rs. nP.	
	1. Nett Block...	48 23	per share
	2. Excess of Liabilities over Liquid Assets	16 00	,,
	Nett Value ...	32 23	

Current Market Price: (Rs. 50 paid) Rs. 27.00.

ANALYSIS OF WORKING

As at 31st December	1953	1954	1955	1956
Number of Looms worked per shift of 8 hours ...	60	111	184	200
	Rs.	Rs.	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	*Loss* 1,35,937	3,665	1,18,925	4,73,890
Profit per Loom based on the above ...	...	31-9-6	646-5-4	2369·45
Allocation to Depreciation ...	2,47,602	2,05,831	2,53,276	2,58,809
Allocation to Taxation ...	...	...	...	...
Nett Tax-Free Earnings on Capital (after Preference dividend) ...	*Loss* 3,83,539	*Loss* 2,02,165	*Loss* 1,34,350	1,92,725
Percentage of Nett Tax-Free Earnings on Ordinary Capital ...	...	...	...	15·85%
Carry Forward ...	*Loss* 5,43,149	*Loss* 7,45,309	*Loss* 8,79,660	*Loss* 6,86,931
Allocation to Reserves ...	...	...	...	...
Dividend on Ordinary Shares (Present Capital) ...	...	...	...	...
Highest and Lowest prices of Shares ...	...	15–12/8	30-15	42–25

Fixed assets as at 31st December, 1956

			Rs.
Gross Block	...	...	... 21,47,881
Less Depreciation	...	...	... 9,64,965
		Nett Block	11,82,916

SRI VISALAKSHI MILLS LTD.

(REGD IN.)

Registered Office	...	Vilangudi, Madurai.	
Managing Agents	...	Narayanan Chettiar & Co.	Rs.
Capital: Equity	...	77,409 Shares of Rs. 10 each	7,74,900
Accounts	...	Closed as at 31st March. DIVIDENDS paid in December.	
Dividend	...	1957 ... 7½%	
Present Equipment	...	Number of spindles	20,640
Products Manufactured	...	Cotton Yarn of 60s, 80s and 100s carded.	
Additions and Proposed Expansions		Additions to Building in 1956-57 were to the tune of Rs. 76,800, Plant and Machinery Rs. 9,21,674 and Electrical Machinery Rs. 65,316. Have obtained a Licence for 240 Looms. Project will cost Rs. 23,00,000. Necessary Buildings are under erection.	
Note ...	...	The Mills have a Power Generator to supplement 30% of their requirements when put to working.	

		Rs.	nP.	
Capitalisation ...	Taking Nett Block: Per Spindle	70	30	

		Rs.	nP.	
Break-up-value of Ordinary share in relation to	1. Nett Block...	18	75	per share.
	2. Excess of Liabilities over Liquid assets	8	38	,,
	Nett Value ...	10	37	,,

Current Market Price: Rs. 10 Nominal. **Yield on Last Dividend:** 7·5%

Sree Visalakshi Mills Ltd.—(*contd.*)

ANALYSIS OF WORKING

As at 31st March	1956	1957
Number of Spindles worked per shift of 8 hours ...	10,765	17,444
	Rs.	Rs.
Nett Profit before allowing for Depreciation and Taxation ...	4,64,381	9,56,697
Profit per Spindle based on the above	43.04	54.84
Allocation to Depreciation	1,75,984	6,22,547
Allocation to Taxation	...	75,000
Nett Tax-Free Earnings on Capital	2,87,333	2,59,140*
Percentage of Nett Tax-Free Earnings on Ordinary Capital	37·12%	33·47%
Allocation to Reserves	...	...
Carry Forward	2,75,312*	28,327
Dividend on Ordinary Shares (Present Capital)	...	7·5%
Highest and Lowest prices of Shares	10†	10†

† Nominal.

* A sum of Rs. 4,48,068 to cover the difference in Depreciation between the book figures and the amounts allowed under the Incometax Rules (towards Normal, Additional, Initial and Development Rebate) relating to prior years has been provided from the surplus profits of 1956 and 1957.

Fixed assets as at 31st March, 1957

	Rs.
Gross Block	27,00,785
Less Depreciation	12,49,661
Nett Block ...	14,51,124

PARTICULARS OF OTHER MILLS
&
SYNOPSIS

The following are the other South Indian Mills, about which we have not given particulars due to three reasons; (1) particulars not being available to us in spite of our best efforts, (2) some Mills being privately owned in consequence of which Report and Accounts are not made available to outsiders and (3) some Mills, being new, not having commenced production as yet. Particulars given below are those culled from the Statement published by the Mill-owners' Association, Bombay, as at 31st August, 1956.

Serial No.	—	Situation of Mills.	Paid-up Capital.	No. of Spindles installed.	No. of Looms installed.
	MADRAS STATE.		Rs.		
	Mills in Working				
1	Adoni Cotton Mills Ltd.	Alur Road, Adoni	10,53,000	4,838	...
2	Andhra Coop. Spg. Mills Ltd. ...	Guntakal, Timmancharla P. O. ...	37,48,600	11,024	...
3	Balakrishna Mills Ltd.	47, East Madura Station Road, Madurai.	3,60,100	...	83
4	Chandra Textiles Ltd.	Peelamedu, Coimbatore	2,50,000	12,000	...
5	Commonwealth Weaving Factory ...	Cannanore, Malabar ...	...	...	312
6	DPF Textiles Ltd.	Mettupalayam Road, Coimbatore ...	2,40,000	6,048	...
7	Gitanjali Mills Ltd.	Sankaranainarkoil, Tirunelveli ...	3,33,145	10,000	...
8	Jayanthi Ramachandrappa Setty Mills Ltd.	Rayadrug, Bellary Dt.	13,50,000	...	150
9	Jayaram Mills Ltd.	Rajapalayam (Ramnad Dt.) ...	3,00,000	1,720	81
10	Jothi Mills Ltd.	Perianaickanpalayam, Coimbatore ...	...	12,704	...
11	Kandan Textiles, Ltd. ...	Tiruvottiyur	3,00,000	...	76

Serial No.	—	Situation of Mills.	Paid-up Capital.	No. of Spindles installed.	No. of Looms installed.
12	Karthikeyan Mills Ltd. (In Liquidation) ...	Viravanallur, Tinnevelly Dt. ...	...	5,816	...
13	Krishnaveni Textiles Ltd.	Uppilipalayam, Singanallur ...	6,00,000	10,000	...
14	Kulapuram Weaving Establishment ...	Mandur P. O. (N. Malabar) ...	3,09,050	...	72
15	Madras Spg. & Wvg. Mills Co., Ltd. ...	Madras	75,52,750	40,164	774
16	Palar Mills	Walajabad (Chingleput Dt.) ...	5,00,000	13,960	...
17	Pollachi Baghyalakshmi Mills Ltd. ...	Pollachi	4,60,000	8,424	...
18	Raja Mills	Madurai	...	8,080	...
19	Rajaratna Mills Ltd.	Periakalayamputhur P. O. Palni (S. Ry.)	10,13,300	6,000	...
20	Sankar Mills	Chatram Pudukulam, Tirunelveli	...	...	101
21	Somasundaram Mills Private Ltd. ...	270, Mill Road, Coimbatore ...	11,37,500	24,140	382
22	Sree Suryanarayana Spg. & Wvg. Mills ...	Pandalapaka (East Godavari Dt.) ...	...	5,584	...
23	Sri Bharathi Cotton Mills	Rajapalayam	...	3,000	...
24	Sri Karthikeya Spg. & Wvg. Mills Ltd. ...	Uppilipalayam, Singanallur ...	5,00,000	20,088	...
25	Sri Kothandaram Mills (Weaving) ...	Ramnad Road, Madurai ...	...	...	82
26	Sri Kothandaram Mills (Spinning) ...	Mahalipatti, Madurai	...	5,160	...
27	Sri Mahaganapathi Spg. Mills	Tiruchi Road, Pudukottai ...	5,53,500	5,784	...
28	Sri Natesar Spg. & Wvg. Mills ...	Perundurai Road, Erode... ...	1,33,490	4,376	...
29	Sri Ramachandra Spg. & Wvg. Mills ...	Pandalapaka (E. Godavari Dt.) ...	...	7,044	...
30	Sri Satyanarayana Spg. Mill ...	Rajahmundry	...	5,504	...
31	Sri Varadaraja Textiles Ltd. ...	Peelamedu	4,11,600	10,352	...

Serial No.		Situation of Mills.	Amount Paid-up Capital.	No. of Spindles installed.	No. of Loom installed
	MADRAS STATE—(*contd.*)				
	Mills in Course of Erection.				
32	Madura Srinivas Mills Ltd. (In Liquidation)	Tiruparankundrum Road, Pasumalai P. O.	9,53,250	6,000	150
33	Mettur Spg. Mills	Mettur Dam	5,00,000	6,000	...
34	Murugan Textiles Ltd. (In Liquidation) ...	Pettai, Tinnevelly Town ...	5,65,736	12,000	150
35	Nagammal Mills Ltd.	Nagercoil	6,86,000	12,600	...
36	Sree Padma Mills	Neikarapatti, Perianaickenpalayam...	...	1,200	...
37	Ramalinga Mills Ltd.	Kalapatti	...	...	...
38	Rukmini Mills Ltd.	Silaiman, Ramnad Dt.	9,25,000	10,000	...
39	Surya Prabha Mills (Private) Ltd. ...	Coimbatore	...	10,000	...
40	South India Coop. Spg. Mills Ltd. ...	Tinnevelly	32,57,700	16,000	...
41	Thiagarajar Mills	Madurai	...	22,000	...
42	Tirupur Cotton Spg. & Wvg. Mills Ltd. ...	Tirupur	15,00,000	10,000	...
43	Tirupati Cotton Mills Ltd. ...	Renigunta	13,90,000	12,000	...
	TRAVANCORE & COCHIN				
	Mills in Working.				
1	A. D. Cotton Mills, Ltd.	Quilon	7,50,000	13,460	300
2	Cochin Mahalakshmi Cotton Mills Ltd* ...	Mulakunnathukavu	3,58,050	5,000	...
3	Kathayee Cotton Mills Ltd. ...	Alwaye	10,00,000	4,896	...
4	Sitaram Spg. & Wvg. Mills Ltd. ...	Trichur	...	18,416	427
5	Vanaja Textiles Ltd.	Ramavarmapuram, Trichur ...	7,40,675	8,400	...
6	Western India Cottons	Pappiniseri	9,08,300	12,300	
	MYSORE				
	Mills in Working.				
1	Sri Krishna Spinning & Weaving Mills Ltd.	Subrahmanyapuram, Kangeri P. O., Uttanhalli	17,50,000	...	180
2	Sree Suryodaya Mills	Yeshwantpur, Bangalore City ...	4,99,260	...	105
3	T. R. Mills	Chamarajpet, Bangalore City ...	2,19,000	...	208
	Mill in Course of Erection				
4	Ramkumar Mills Ltd.	Bangalore	...	19,780	420
5	Tungabhadra Textiles	Harihar, Mysore State	4,44,993	18,000	300
	PONDICHERRY.				
1	Sri Bharathi Mills	Modeliarpet, Pondicherry ...	16,00,000	11,504	596
2	Swadeshi Cotton Mills Co., Ltd., ...	Pondicherry ...	...	22,968	675

* Mills not working.

SYNOPSIS

—	Year ending	Paip-up value of Ordy. Share.	Current Market Price.	Capitali-sation per Spindle.	Profit per Spindle.	Net % of Tax-free earnings on Ordy. Capital.	Last Dividend on Ordy. Shares.	Yield.
		Rs.	Rs. nP.	Rs. nP.	Rs. nP.	%	%	%
Sree Ganesar	31-3-1956	10	8 00	227 56	29 33	3·61	Nil	Nil
Palamalai Ranganathar	..	100	109 00	94 49	18 80	47·0	6·0	5·5
Sree Shankara	..	100	75 00	161 11	19 27	1·86	5·0	6·66
Janakiram	..	10	7 50	112 53	41 64	15·18	8·0	10·66
Kapila	30-6-1956	10	6 00	209 86	Nil	Nil	Nil	Nil
Loyal	..	50	38 25	98 00	38 34	9·74	7·5	9·8
Alagappa	31-12-1956	10	9 20	58 52	5 87	Nil	Nil	Nil
Anglo-French	..	100	79 00	53 21	Nil	Nil	Nil	Nil
Asok Textiles...	..	10	10 00	132 80	46 12	23·79	9·0	9·00
Balarama Varma	..	100	100 00	179 93	55 63	13·0	10·0	10·00
Balasubramania	..	40	39 00	62 72	42 58	14·63	15·0	10·17
Bangalore Woollen	..	100	164 00	122 00	102 57	77·35	30·0	6·1†
Buckinghams	..	100	158 00	140 34	32 91	26.27	10·0	6·33
Cambodia	..	10	10 65	48 14	11 73	4·27	5·0	4·7
Coimbatore Cotton	..	100	165 00	37 73	45 76	27·26	25·0	6·85†
Coimbatore Kamala ...	..	100	103 50	62 03	42 47	136·38	Nil	Nil
Coimbatore Murugan	..	100	141 00	34 39	36 54	20·86	12·0	6·28†
Coimbatore Pioneer	..	100	235 00	93 78	61 15	19·93	20·0	8.39
Coimbatore Spinning	..	50	69 00	44 46	19 66	29·07	20·0	14·5
Dhanalakshmi...	..	100	216 00	47 19	62 50	24·7	25·0	7·91†
Gnanambikai	..	100	135 00	68 95	31 22	17·22	16·0	11·85
Janardhana	..	50	79 00	46 37	26 05	22·15	20·0	12·66
Jawahar	..	5	13 40	78 30	51 35	73·54	25·0	9·34
Kadri	..	100	162 00	86 11	22 16	12·62	15.0	9·26
Kaleeswarar	..	100	335 00	24 70	9 00	42.75	10·0	3·00
Kannapiran	..	10	10 50	169 35	42 82	31·12	12·0	11·43
Karur Mills	..	100	75 00	149 60	11 36	Nil	Nil	Nil
Kumaran	..	100	120 00	102 85	31 30	11·88	12·0	10·00
Lotus	..	100	110 00	40 14	21 03	29·72	6·0	5·55
Madura	..	15	34 50	45 48	32 38	25·25	17·5	7·6
Mahalakshmi	..	200	150 00	65 25	36 42	84·26	15·0	10·00
Malabar Spg.	..	100	99 00	42 37	16 31	9·3	6·0	8·00
Minerva	..	50	71 00	72 53	11 11	6·10	4·0	8·45
Palani Andavar	..	100	135 00	95 90	38 17	80·89	30·0	11·11
Pankaja	31-12-1956	100	44 50	49 91	17 14	23·25	Nil	Nil
Pudukottah	,,	100	55 00	202 12	25 60	3·63	Nil	Nil
Pullicar	,,	100	129 00	48 07	43 87	69·02	21·0	16·10

† Yield Calculated based on the price for old shares.

SYNOPSIS—(contd.)

—	Year ending	Paid-up value of Ordy. Share.	Current Market Price.	Capitalisation per Spindle.	Profit per Spindle.	Net % of Tax-free earnings on Ordy. Capital.	Last Dividend on Ordy. Shares.	Yield.
		Rs.	Rs. nP.	Rs. nP.	Rs. nP.	%	%	%
Radhakrishna...	31-12-1956	100	251 00	70 42	41 50	48·15	20·0	7·95
Rajalakshmi	,,	50	68 00	64 90	22 09	9·53	15·0	6·35
Rajeswari	,,	50	75 00	141 59	64 67	15·15	17·0	11·33
Ramalinga Choodambika ...	,,	100	171 00	84 00	31 11	27·32	20·0	7·38
Ranga Vilas	,,	50	65 00	60 96	13 94	13·38	14·0	10·77
Rayalaseema	,,	100	123 00	182 26	61 76	10·12	10·0	8·13
Sarada	,,	100	80 00	55 97	23 30	54·98	10·0	12·50
Saroja	,,	100	150 00	102 12	34 47	31·74	Nil.	Nil.
Sivananda	,,	10	14 00	99 74	57 04	18·90	12·0	8·57
Sree Ganapathi	,,	100	125 00	127 65	75 98	22·33	20·0	16·00
Soundararaja ...	,,	100	150 00	60 97	44 84	34·32	12·0	8·00
Thirumagal	,,	100	125 00	37 86	61 18	23·25	16·0	12·80
Tirumutti	,,	100	150 00	70 26	23 14	16·14	16·0	10·66
Trichinopoly	,,	10	12 50	25 36	35 51	20·76	11·25	9·00
Vasanta	,,	100	278 00	61 61	45 84	38·38	20·0	7·2
Venkatesa	,,	50	128 00	69 20	46 88	24·77	25·0	9·77
Vijayakumar	,,	100	115 00	87 12	42 31	49·06	12·5	10·87
Vijayalakshmi	,,	100	110 00	81 02	24 69	12·66	10·0	9·09
Vijayamohini	,,	100	81 00	130 16	48 27	23·99	9·0	11·11
Mysore Spinning	28- 2-1956	50	95 50	70 18	16 64	19·26	18·0	9·49
Cannanore Spinning	31- 3-1957	100	160 00	125 40	70 ·72	32·25	20·0	12·5
Cauvery Spinning	,,	10	12 05	111 35	46 18	44·5	9·0	7·50
Devangere Cotton ...	,,	100	114 00	144 90	57 21	23·22	9·0	7·90
Hemalatha	,,	10	9 75	122 94	41 78	14·10	6·0	6·10
Jayalakshmi	,,	100	100 00	58 38	41 96	12·07	10·0	10·00
Kasthuri	,,	25	25 00	57 37	27 66	20·08	12·0	12·00
Sri Krishnarajendra ...	,,	50	83 00	52 40	50 23	21·27	14·0	8·43
Lakshmi	,,	50	107 00	86 46	55 16	14·0	20·0	9·34
Sree Meenakshi ...	,,	20	25 00	128 36	55 48	19·34	10·0	8·00
Mettur	,,	100	352 00	53 16	104 56	28·38	20·0	5·68
Premier Mills (CBE) ...	,,	100	142 00	101 31	50 02	8·4*	15·0	10·56
Rajapalayam	,,	100	135 00	73 00	43 70	24·70	12·0	8·88
Sree Rajendra	,,	10	12 50	92 51	59 68	60·48	12·5	10·00
Ramakrishna	,,	100	200 00	117 43	90 71	14·75	16·0	8·00
Tuticorin Spinning	,,	100	120 00	148 84	61 58	34·84	12·0	10·00
Sri Visalakshi ...	,,	10	10 00	70 30	54 84	33·47	7·5	7·50
Asher	30- 6-1957	100	217 00	83 66	39 07	14·2	12·5	5·99
Kothari Textiles	,,	10	11 10cp	137 83	29 84	10·20	10·0	6·00†

* On increased capital. † Yield Calculated on the price for old shares.